

DOCUMENT FILE

NOTE

SEE 701.3465/5 FOR Tel. 157, 7pm

FROM Italy (Phillips) DATED April 13, 1937
TO NAME I-1127 GPO

REGARDING:

Paraguayan Minister has presented letters of credence "to King of Italy and Emperor of Ethiopia". Paraguayan Legation confirms foregoing.

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865D.01/271

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RB

GRAY

Rome

Dated April 13, 1937

Rec'd 2:25 p. m.

Secretary of State

Washington.

157, April 13, 7 p. m.

It is announced that the Paraguayan Minister has presented letters of credence "to the King of Italy and Emperor of Ethiopia". Paraguayan Legation here confirms foregoing.

PHILLIPS

DDM

KLP

DOCUMENT FILE

NOTE

SEE 701.1465/2 FOR Tel. 165, noon

FROM Italy (Phillips) DATED April 18, 1937
TO NAME 1-1127 ***

REGARDING:

Guatemalan Minister presented letters accrediting him to
King of Italy, Emperor of Ethiopia.

865D.01/272

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JR

GRAY

Rome

Dated April 18, 1937

Rec'd 9:20 a.m.

Secretary of State,
Washington.

165. April 18, noon.

The newspapers this morning announced that the
Guatemalan Minister has presented his letters accrediting
him to the King of Italy, Emperor of Ethiopia.

PHILLIPS

WSB

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DOCUMENT FILE

NOTE

SEE 760h.65/730 FOR #715

FROM Yugoslavia (Wilson) DATED Mar.30, 1937
TO NAME 1-1127 000

REGARDING:

Reference in Italo-Yugoslav agreement to the King Emperor and the
toast of the Prime Minister of Yugoslavia to His Majesty the
King and Emperor, Victor Emmanuel, would seem to be the official
Yugoslav recognition of the sovereignty of Italy over Abyssinia.



EMBASSY OF THE
UNITED STATES OF AMERICA

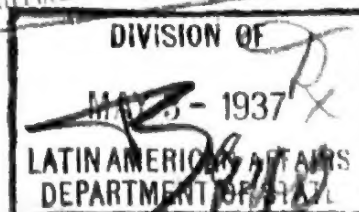
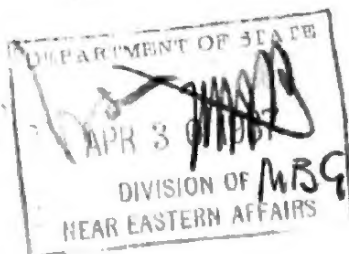
ROME, April 14, 1937.

No. 317

Subject: Recognition of Italian Sovereignty over Ethiopia.

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DEPARTMENT OF STATE

1937 APR 27 AM 11 54



865D.01/274

The Honorable

The Secretary of State,
Washington.

Sir:

865D.01/260

With reference to the Department's instruction No. 45 of March 4, 1937, enclosing a memorandum regarding the attitude of various Governments toward Italian claims of sovereignty in Ethiopia, and to pages 15 and 16 of the Embassy's despatch No. 233 of February 24 on the Italian Administration of Ethiopia, I have the honor to report the following subsequent information on this question:

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MAY 4 1937

BULGARIA

The press in a news despatch under Sofia date line of April 9th reported that the Bulgarian Council of Ministers that afternoon had approved a decree extending

to

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to products from Ethiopia the same treatment granted under the Italo-Bulgarian Commercial Treaty (Embassy's despatch No. 83 of November 18, 1936) to products from Eritrea. It added that the Bulgarian press considered that this action represented de facto recognition of the Ethiopian Empire.

FRANCE

On April 4th the Italian press published a despatch under Addis Ababa date line to the effect that the French Minister, M. Bodard, left Addis Ababa on April 3rd and will not return. It added that the French Legation there will henceforth function as a Consulate General.

PANAMA

As reported in my telegram No. 151 of April 9th, an official communiqué, published in the press on that date, announced that Señor Antonio Burgos, the new Minister of Panama to the Quirinal, on April 8th presented his credentials addressed to the King of Italy and Emperor of Ethiopia. This information was confirmed by the Panamanian Legation here.

PARAGUAY

An official communiqué was published in the press on April 11th stating that:

"The new Minister of Paraguay, Señor Juan O'Leary, was received at the Quirinal where he presented to the Sovereign the letters of credence which accredit him as Envoy Extraordinary and Minister Plenipotentiary of the Republic near His Majesty the King of Italy and Emperor of Ethiopia." The foregoing was confirmed by

the

the Paraguayan Legation to the Quirinal (Embassy's telegram No. 157 of April 13, 1937).

SWITZERLAND

The press on April 7th published the following excerpt from Motta's report on foreign affairs during 1936 to the Swiss Parliament, with reference to his Government's de jure recognition of Italian sovereignty over Ethiopia and the extension to that territory of the jurisdiction of the Swiss Legation at Rome in December, 1936:

"The defense of our compatriots in Abyssinia and, in general, the protection of our interests in that region made such a step necessary. Furthermore, Switzerland, a neighbor of Italy, was obliged, as the majority of the Great Powers had done, to decide upon her attitude toward the question. Certain states desired to emphasize the fact that their action did not imply de jure recognition, but we found it preferable to make no distinction between fact and law. We believe, in fact, that it is not to Switzerland's interest nor to that of the community of nations to permit the survival of difficulties after the League of Nations showed, through the lifting of sanctions, that it will not and cannot in any way change the historic fact."

The press added that the report was approved by the Swiss Federal Council on April 6, 1937.

YUGOSLAVIA

The Italo-Yugoslav Political and Supplementary Economic Agreements, signed at Belgrade on March 25, 1937 (Embassy's despatch No. 298 of April 1, 1937), both contain

the

the phrase "In the name of His Majesty the King of Yugoslavia, the Royal Regents and His Majesty the King of Italy, Emperor of Ethiopia."

VATICAN

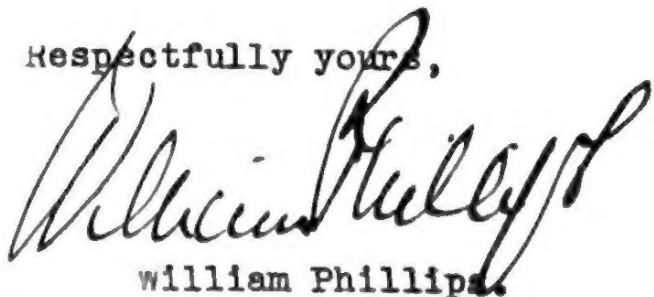
On the occasion of conferring the Golden Rose on the Queen of Italy on April 4, 1937, the Pope signed as of March 8th three brevets addressed respectively as follows:

"To His Majesty Victor Emmanuel III, August King of Italy and Emperor of Ethiopia";

"To Our Dearest Daughter in Christ, Elena, August Queen of Italy and Empress of Ethiopia";

"Venerable Brother Francesco Borgongini Duca, Titular Archbishop of Eraclea, Apostolic Nuncio to the Court of His Majesty the King of Italy, Emperor of Ethiopia."

Respectfully yours,

A handwritten signature in dark ink, appearing to read 'William Phillips', written in a cursive style.

William Phillips

DOCUMENT FILE

NOTE

SEE 865.415/72 FOR Tel. 204- 1pm

FROM Italy (Kirk) DATED May 6, 1937
TO _____ NAME _____ 1-1187 GPO

REGARDING: Military parade to be held on May 9th in commemoration of founding of the Empire. The Ambassador will attend, but the British Ambassador and the French Charge will not be present owing to their fear of jeopardizing favorable action at Geneva.

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BC

This telegram must be closely paraphrased before being communicated to anyone (C)

Rome

Dated May 6, 1937

Received 11:30 A.M.

Secretary of State,
Washington.

204 May 6, 1 p.m.

CONFIDENTIAL. It is believed that the entire diplomatic corps will be invited to the military parade on May 9th in commemoration of the foundation of the Empire and as this has been established as an annual review similar to those held on other occasions although on a larger scale and as the press has indicated that no distinction is being made in matter of invitations between the representatives of those countries who have or who have not recognized the Empire the Ambassador I understand, who is expected in Rome before that date, proposes to attend.

I am informed that the British Ambassador and the French Charge will not (repeat not) be present owing to their fear of jeopardizing favorable action at Geneva on the settlement of the status of Ethiopia before the League and the British Ambassador expresses several days ago the belief that no adverse comment would be aroused by his absence

which he

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Page 2 from Rome # 204.

which he proposed to explain to Count Ciano. Military
and Naval Attaches of those Embassies will attend the review.

KIRK

HPD

DOCUMENT FILE

NOTE

SEE 762.65/302 FOR Tel. 205- 5pm

FROM Italy (Kirk) DATED May 6, 1937
TO _____ NAME _____ 1-1187 cpe

REGARDING: Government- Italian East Africa. In Ethiopia economic collaboration has already begun and will be further extended. The "moral condition precedent therefor is Germany's full and frank de jure recognition of the Italian Empire.

fp

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DOCUMENT FILE

NOTE

SEE 783.003/219 FOR Tel.2, noon

FROM Capitulatory Conf. (Fish) DATED May 7, 1937
TO (Egypt) NAME 1-1127 ***

REGARDING: Convention for Revision of the Capitulatory Regime in Egypt.

Informs that preamble of - describes the King of Italy also as Emperor of Ethiopia, and that Politis, General Committee chairman, has stressed the fact that titles have been furnished by each delegation, which is solely responsible therefor.

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Montreux

Dated May 7, 1937.

Rec'd. 9 a.m.

Secretary of State,
Washington.

2, May 7, noon.

One. Convention with annexed Mixed Court charter will be signed May 8th. It will enter into force October 15 provided three ratifications are deposited by that date but will not bind other signatories until their ratifications are deposited.

Two. A point in the convention about which press at home may inquire is in preamble where among list of chiefs of state the King of Italy is also described as "Emperor of Ethiopia". Politis, as chairman of the General Committee and as I am reliably informed at the suggestion of the French, in two final sessions stressed the fact that the titles and designations of the heads, delegates, et cetera., had been furnished by each delegation and was consequently their sole responsibility and hence did not involve the responsibility of the other delegations. Issue was not raised by any delegation.

Three.

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- 2 -

2 from Montreux - May 7, noon

Three. Convention and annexes include all important points in the Department's instruction as well as guarantees for American institutions in Egypt and are entirely satisfactory.

KLP:CSB

FISH

8254.01/278

DOCUMENT FILE

NOTE

SEE 852.00/5365 FOR _____

FROM Women's International (_____) DATED May 6, 1937
TO League for Peace and NAME _____
Freedom 1-11W 676

REGARDING:

Resolution adopted by the League urging an investigation
of the continued massacre of native people in Italian
occupied territory.

865D.01/278

DOCUMENT FILE

NOTE

SEE 865.415/73 FOR Tel. 210- 10am Confidential File

FROM Italy (Phillips) DATED May 8, 1957
TO NAME 1-1187 070

REGARDING: Italian conquest of Ethiopia. Following distribution of invitations to military review commemorating first anniversary of the Empire, May 6th, the impression has developed among the diplomatic corps that attendance might involve considerations of acquiescence in --. Department's views in matter are requested.

865D.01/279

Confidential

JR

This telegram must be closely paraphrased before being communicated to anyone. (C)

Rome

Dated May 8, 1937

Rec'd 7:28 a.m.

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Secretary of State,

Washington.

RUSH DOUBLE PRIORITY.

210. May 8, 10 a.m.

Embassy's 204, May 6, 1 p.m.

Upon my return today I find that following the distribution of the invitations to the military review tomorrow commemorating the first anniversary of the Empire and requiring Diplomatic uniform which were received during the afternoon of May 6th the impression has developed among the diplomatic Corps here that attendance might involve considerations of acquiescence in the Italian conquest of Ethiopia and in consequence I understand that in addition to the diplomatic representatives of France and England those of Belgium, the Scandinavian countries, South Africa and Holland, and possibly others, presumably all sanctionist and League countries propose to be absent although military and naval attaches may be present.

My

CONFIDENTIAL

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JR #210, May 8, 10 a.m., from Rome.

My South American colleagues appear to be waiting upon my decision. The Argentine Ambassador admits the embarrassment owing to the Saavedra Lamas pact. My absence from the review from the Italian viewpoint will merely associate the United States the more with the sanctionist and League countries whose joint abstention may well arouse indignation in Government circles just at the moment when there are indications of commercial cooperation in Italy and European countries. On the other hand my presence might be embarrassing to the Department. Although mere presence at a military review should not involve by rights considerations of recognition, in view of the publicity both here and in the United States that may arise from my presence or absence I feel I must ask the Department's views.

Please send immediate reply so that I may receive it this evening.

PHILLIPS

KLP:CSB

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DOCUMENT FILE

NOTE

SEE 865,415/75 FOR Tel. 214- 11am

FROM Italy (Phillips) DATED May 10, 1937
TO NAME 1-1187 870

REGARDING: Celebration in Rome of first anniversary of the Italian Empire by a military review. Quotes from an address by the Duce to the crowds summoned on the balcony of the Palazzo Venezia on occasion of, -.

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GRAY

ROME

Dated May 10, 1937

Rec'd. 9:10 a. m.

Secretary of State,

Washington, D. C.

214, May 10, 11 a. m.

*note
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At the close of yesterday's military review in celebration of the first anniversary of the Empire the Duce was surmounded by the applause of the crowds to the balcony of the Palazzo Venezia and addressed them as follows: "Mother Rome and the people of all Italy have today offered the hours earned by the triumph of the soldiers, workers, Eritreans, Libyans and Somalis who fought and won our great African war.

" The first anniversary of the new Roman Empire is celebrated with legitimate pride and the full joy of the people under the true and most propitious sign of glory, power and peace. Peace for us and for all; for all who want it and will listen to the warning which comes from the soul and consciousness of the people; and for us who wish to carry to fulfillment on African soil the thousand year old Italian mission of work and civilization.

" Guided by the lictor and if necessary surmounting every obstacle present and future we have the consciousness

and

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JLS, May 10, 1937 from Rome. -2-

and the will (for that mission), we shall accomplish
it."

PRF LIPS

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OFFICE OF ECONOMIC AFFAIRS
JUN 2 1937
DEPARTMENT OF STATE

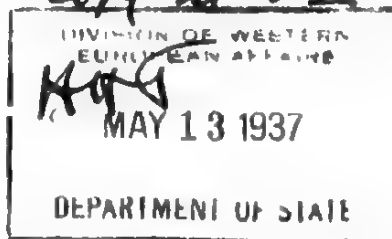
EMBASSY OF THE
UNITED STATES OF AMERICA

9621

ROME, April 25, 1937.

No. 336

Subject: Italian Administration and Development of Ethiopia.



Excerpts as indicated

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The Honorable

The Secretary of State,
Washington.

Sir:

In continuation of the Embassy's despatch No. 233 of February 24, 1937, regarding the Italian administration and development of Ethiopia, I have the honor to submit below a digest of the available information which has been published here since February 24th with regard to Italian action and plans for the government and exploitation of the conquered territory. Certain reports on Ethiopia by the Military Attaché to this Embassy are enclosed for the Department's information.

Military and Political.

During the last two months there has been almost no military and political news of Ethiopia, except Italian denials of the massacre of a large number of Ethiopians after the attempted assassination of Marshal Graziani

(Embassy's

865D.01/281

FILED
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765,84
(Embassy's despatch No. 801 of April 1, 1937). Marshal Graziani, according to the Italian press, has since recovered from his wounds. General Liotta, the Chief of the Air Force in Ethiopia, after the amputation of a leg, was returned to home where he is still in a hospital. No news has been published regarding Abuna Cirillo (The Coptic Bishop), except denials of a rumor that he had been shot for being implicated in the bomb throwing. The press has continued to emphasize that the country is completely tranquil and that the Italians are cordially welcomed wherever they go.

Several foreign business men have been expelled from Ethiopia on the ground that they were engaged in espionage work (Embassy's despatch No. 801 of April 1, 1937) and American and British missionaries are reported to have been ordered out of the country on account of their alleged anti-Italian activities (Embassy's despatch No. 319 of April 15, 1937). A report on the Ambassador's representations regarding the American missionaries is contained in the Embassy's confidential telegram No. 159 of April 14.

An official communiqué, published on March 26th, announced that, "the arms captured and surrendered in Italian East Africa from October 3, 1935 to March 21, 1937 XV comprise 170,795 guns and rifles, 1,380 pistols, 782 machine guns and sub-machine guns, and 165 cannon." In commenting on this communiqué, the press asserted that "this list is unquestionably still incomplete, in view of the Ethiopian's love of arms and his reluctance to surrender them even in time of peace."

On April 9th an official communiqué announced that from March 1st to March 31st, 1937, seven Italian soldiers were
killed

killed and one died of wounds as a result of "police operations" in Ethiopia, and that 53 died of diseases and miscellaneous causes. The grand total of Italian military losses from January 1, 1935 to March 31, 1937 was given as 3632 men. The losses of Italian native troops (Askaris, Dubats, and Irregulars) during "police operations" from November 1, 1936 to March 31, 1937 was officially reported as 442 men and from October 3, 1935 to March 31, 1937 as 2854 men.

In conformity with the Duce's attitude of friendship toward Islam, as expressed during his recent visit to Libya (Embassy's despatch No. 285 of March 24, 1937), the Italian Government recently extended special facilities for 1700 Ethiopian Moslems to make a pilgrimage to Mecca and Medina. Free transportation was provided on the Addis Ababa-Djibouti Railway, a ship was chartered to transport the pilgrims from Djibouti to Jidda, and in Mecca and Medina five houses were rented for their use.

As reported in the Embassy's despatch No. 318 of April 14, 1937, the Council of Ministers on April 10 approved a decree changing the name of the Ministry of Colonies to the "Ministry of Italian Africa." By Royal Decree of April 15th Signor Alessandro Lessona ceased to exercise the duties of Minister of Colonies and was appointed Minister of Italian Africa.

Economic and Industrial Development.

According to the press, 120,000 tons of merchandise are being shipped monthly from Italy to Italian East Africa. Half of this amount is unloaded at Massaua, 30,000 tons at Mogadiscio, 6,000 tons at Assab, 15,000 tons at Djibouti and

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2854
Total
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and 10,000 tons in Somalia (Chisimaio, Merce, Dante, and Brava). With reference to traffic within the country, the press reports that after the Italian authorities took measures against certain native "grafters" on caravan routes who were levying toll on caravans, the weekly arrivals of caravans at Addis Ababa have averaged as follows: 21 from the North, particularly from the territories of Jena and Leghedaddi; 34 from the South, particularly from Moggio, Adama, Harrar, and Ogaden; 34 from the East, mostly from the districts of Aragheggia, Rus Condobbie, and Seddafa; 43 from the West, chiefly from the zones of Cafirse, Bul-lile, Addis Alem Ambo, and Gimma. These caravans bring the Ethiopian capital cereals, hides, cotton, coffee, vegetables, fruits, and cattle, and carry away salt, ^{heroin} petroleum, cotton textiles, and miscellaneous Italian manufactured products.

A news despatch under Addis Ababa date line of April 19th states that a Committee for the Supervision over Prices, headed by the local Secretary of the Fascist Party, has periodically issued lists of the maximum wholesale and retail prices which may be charged in the Ethiopian capital. The prices, it is asserted, are adjusted to allow fair profits but to prevent profiteering. The despatch adds that, thanks to the work of the Committee, the cost of living in Addis Ababa has considerably decreased. Rumors published in foreign newspapers to the effect that there is a food shortage in Addis Ababa are categorically denied by the press.

According to the press, the Fascist Federation of Chemical Products has organized, under the direction of Dr. Umberto Alberici, a company called the "Compagnia per la

la Fiora Etiopica," for the purpose of exploiting the botanical resources of Ethiopia. It is reported that this territory is rich in acacia, amber tree, camphor, tamerind, coriander, jasmine, eucaliptus, incense gum, and gum arabic.

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The Agenzia d'Italia announces that the Minister of Italian Africa has entrusted the Company for Ethiopian Enterprises (Società Anonima per Imprese Etiopiche) with control over the various Italian and foreign mining concerns which were carrying on activities in Ethiopia before the Italian occupation. Among the companies affected are the "Société des Concessions Prasso" of Paris, the "Jubdo Mining Company" of London, and the "Birbir Mining Limited" of London, located in the Jubdo region of western Ethiopia. The Company for Ethiopian Industries, it is stated, "will have the duty of coordinating, controlling, and giving power to the activities which these companies will be called upon to carry on, in accordance with the orders of the Fascist Government, within the framework of the imperial economy."

It might be added that a report has been circulated recently to the effect that gold has been found in Italian East Africa, but the vein is said to be situated in Eritrea and not in Ethiopia.

Bank of Rome.

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The press under Addis Ababa date line of April 23rd announces that the Bank of Rome has opened two new branches at Gore and Dembi-Dollo in the Uollega region of Ethiopia.

Aviation.

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The press reports that a number of new airplanes are

being

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Commander
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being built for service between Rome and Addis Ababa. Each machine will be powered with four 1,000 h.p. engines, and, it is stated, will be able to fly the 2,800 miles between the two capitals in a little over 12 hours. Each will have accomodation for 50 passengers and a cargo of from 30 to 35 tons.

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Telephone Service.

A wireless telephone service between Italy and Mogadiscio was inaugurated on April 1, 1937, which will permit of telephone calls between Italy and Mogadiscio, Addis Ababa, and Asmara, at a cost of 40 lire for the first three minutes conversation and 10 lire for each successive minute. A supplementary charge of 20 lire is made for party calls.

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Agriculture.

News despatches from Addis Ababa report that, under orders from the Duce, an intensive campaign is under way to make Italian East Africa independent with regard to food supplies. The prospects of growing cereals are said to be excellent in Kritrea, Tigre, Amhara, and western and southwestern Ethiopia. On April 21st, the Birthday of Rome, cereal planting was formally begun at Moggio, an important Ethiopian agricultural center. Priests of twenty-two churches blessed the grain in the presence of more than 3,000 natives. The Italian authorities took the occasion to urge the natives to plant as much wheat as possible and promised to award prizes for the greatest yields at harvest time.

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Public Health.

The press reports that the hospital "Duca degli Abruzzi" in Addis Ababa has been modernized and the hospital

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pital "Italica Gens" which was burned during the sack of the Ethiopian capital, has been rebuilt.

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The following public health services have been established in Addis Ababa: laboratory with modern bacteriological, profilaxis, microscope, and serum, equipment; a corps of officials engaged in disinfection work and the destruction of parasites; a corps of inspectors who supervise the slaughter of animals under sanitary conditions and who see that no spoiled foodstuffs are offered for sale; and an institution which manufactures vaccines, particularly against smallpox and hydrophobia.

In the country eight hospitals have been built for sick workers, and fifty clinics with modern medical and surgical equipment are shortly to be opened at various camps of laborers. An ambulance service is also to be instituted in the near future.

Five free clinics for the natives have been established in different parts of Addis Ababa, as well as in Harrar, Gondar, Dessié, Gimma, and Lékemti.

News despatches state that there have been no epidemics among the Italians in East Africa and that, in spite of unhealthful working conditions in certain parts of Ethiopia, illnesses average only four per cent.

Recognition of Italian Sovereignty over Ethiopia.

The press under Sofia date line of April 9th reported that the Bulgarian Council of Ministers had approved a decree to extend to Ethiopia the same treatment accorded under the Italo-Bulgarian Commercial Agreement to merchandise coming from Eritrea.

The French Minister, M. Bodard, left Addis Ababa on April 4th and, according to the press, the French Legation

will

(Public) / (Addis)

Treasury

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will henceforth function as a Consulate General.

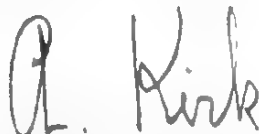
During the month of April the new Panamanian and Paraguayan Ministers presented their credentials addressed to "the King of Italy and Emperor of Ethiopia."

The Italo-Yugoslav Political and Supplementary Economic Agreements (Embassy's despatch No. 298 of April 1, 1937) both contain the phrase "In the name of His Majesty the King of Yugoslavia, the Royal Regent and His Majesty the King of Italy, Emperor of Ethiopia."

On the occasion of conferring the Golden Rose on the Queen of Italy on April 4th, the Pope signed brevets addressed to the "August King of Italy and Emperor of Ethiopia" and to the "August Queen of Italy and Empress of Ethiopia." (Embassy's despatch No. 317 of April 14, 1937).

The press on April 25th reported that Herr Rotter, the Counselor of the Austrian Legation in Rome, had arrived in Addis Ababa for the purpose of establishing an Austrian Consulate General there.

Respectfully yours,



Alexander Kirk,
chargé d'Affaires ad interim.

Enclosures...

✓
5 Enclosures:

- 1) Mobilization - General,
Strength and replacement of
Military Forces in East Africa.
- 2) Foreign Trade,
Gambela - western Ethiopian Trading Post.
- 3) Minor Military Operations
Attempt on Life of Marshal Graziani
and Developments in Occupied Area in E.Africa.
- 4) Economic Development of Italian East Africa.
- 5) Relationship between Mother Country and its
Dependencies

Governmental Organization and Administration
of Italian East Africa.

ENCLOSURE No. 1 DESPATCH NO. 336 M.L.

DATED Apr 25 1937 FROM THE
AMERICAN EMBASSY, ROME, ITALY.

NO OBJECTION
IN SERVICE

N

6600

ITALY (XLBAT - ATTY)

Subject : Mobilization - General.

Strength and replacement of Military Forces
in East Africa

Reference is made to Evaluation of Reports Balkans and
Near East Section, March 24, 1937, No. 15,823-6600.

It is not believed that the recent uprising in Addis
Abeba has influenced in any way the flow of troops to and from
Italy. For the past five months Italy has maintained her national
forces in East Africa at a fairly constant level - about 200,000.
Troops that served in the war have been steadily withdrawn and have
been replaced by new volunteers. Within the next month it is ex-
pected that this relief will be completed.

WILLIAM F. FLOCK,
Major, M.V., U.S.A.,
Assistant Military Attaché.

From : F/A., Rome, Italy.

Report No 15,946

April 15, 1937.

DATED Apr. 25, 1937. FROM THE
AMERICAN EMBASSY, ROME, ITALY.
G-2 Report.

NO CIRCULATION TO FIELD
EXCEPT BY ROUTE OF
COMMUNICATIONS

4810

ITALY (ECONOMIC).

Subject: Foreign Trade.Gambela - Western Ethiopian Trading Post.

With reference to Evaluation of Reports, Balkans and Near East Section, February 24, 1937, No. 15,781-3860.01, and answer to same contained in our Report No. 15,884-3860.01, the following additional information regarding the trading post of Gambela is submitted:

It is reported in the Italian press that there are at present three Englishmen at Gambela one of whom is called "District Commissioner". In 1902 the British obtained a territorial concession of some 400 hectares at Gambela in a trade contract stipulated with Emperor Menelik of Abyssinia. The present "District Commissioner" continues to represent British trade interests and administers the territorial concession as under the terms of the old Abyssinian contract.

The other two British representatives at Gambela represent the British "Ethiopian Motor Transport Co., Ltd." This company effects transportation service between Gambela - Bure (85 km. on road to Gore) and Gambela - Sajo (about 70 kms. on the Vollega plateau) using light trucks, and is still operating.

The Importance of Gambela as a Trading Post.

Gambela is the natural river port of western Ethiopia. The Baro river on which it is situated is navigable 5 - 6 months of the year, May - October. Passing down the Baro into the White Nile, small flat bottom river steamers carrying cargoes of between 300 to 700 tons, ply between Gambela and Kartum, the commercial center of Anglo-Egyptian Sudan. These boats take about 14 or 15 days from Kartum to Gambela (530 miles) and 10 or 11 days back. They carry Japanese cotton ("abugedid"), sack cloth and salt up to Gambela and coffee and wax down to Kartum. Coffee comes to Gambela from the plantations of Gore and Sajo, and wax from the beehives of the Ilu Babar and Beni Soliangul forests. The coffee and wax are taken by carriers or mules to the local markets of Gore, Sajo, Bure, Ghimbi and Lekenti and thence to Gambela. Due to the famous tse-tse fly, deadly to animals, transportation to Gambela is effected by Yambo tribe carriers, except as indicated above for truck transportation.

Gambela exports from 25,000 to 45,000 quintals of coffee and about 1,500 quintals of wax yearly. In 1936, 46,580 quintals of coffee and 1,320 quintals of wax were exported, representing

about 11 1/2 of the total Abyssinian exports, Djibouti being the chief center for export trade. Gambela's importation of Japanese cotton is important as cotton is used by the natives to make all articles of clothing and wearing apparel, as well as for coffee sacks. Salt is also a necessary article of importation as Western Abyssinia has no mineral salt depots. Salt is sometimes used as a substitute for money.

The total trade of Gambela in 1930 was valued at 340,449 Sterling, of which 106,149 pounds for imports and the remainder for exports, representing a favorable balance of 128,000 pounds. In 1936 exports and imports were about double the 1930 figures.

The future trade possibilities of Gambela are bright in view of its favorable situation and possible economic development of the interior of western Ethiopia through more extensive cultivation. Western Ethiopia has some of the most fertile land of the country and is known for its gold and platinum mines which the Italians are planning to work with more modern methods than those used heretofore.

So far, it does not appear that there has been any material change of status for the British trading post at Gambela, but since the old contract has lost all practical value, a new arrangement with the Italian authorities is to be expected. This question should form part of a general trade agreement between Great Britain and Italy to regulate trade between Ethiopia and Anglo-Egyptian Sudan similar to the agreement reached for British Somaliland (see ITALY NO. 16,781-3860.01).

It would appear to be in the interest of Italy, in the economic development of its new colony, to retain this important trading post with the British, Egyptian, Sudan. The former American Minister to Ethiopia, Mr. Engert, stated on a recent visit to Rome, that so far as he knew Italy had no intention at the present time of changing the status of the trading post at Gambela.

G. H. PAINE,
Colonel, Field Artillery, USA,
Military Attaché.

ENCLOSURE No. 3 DESPATCH NO. 336

1 DATED Apr 25, 1937 FROM THE
AMERICAN EMBASSY, ROME, ITALY.

G-2 Report.

6920.

ITALY (COMBAT - ARMY).

Subject: Minor Military Operations.

Attempt on Life of Marshal Graziani and Develop-
ments in Occupied Area in East Africa.

Last week the last remaining organized resistance to Italian occupation of Abyssinia was broken down. In a carefully prepared campaign which has been in progress for several months the followers of Ras Beient Merid, numbering about 8,000, and those of Ras Desta Dentou, numbering 2000, were defeated in a series of battles. The leaders and such of their followers as remained were eventually captured. Ras Desta Dentou, Dagiac Beient Merid and other leaders were executed.

A report from Marshal Graziani to Mussolini on the subject of these operations was made public on February 25. A translation follows:

From: M. E. Rome, Italy.

Report No. 15,833,

February 26, 1937.

"DUE:

"When the military operations, that culminated in the capture of Ras Imnera, came to an end, you ordered me to proceed rapidly and without respite against Ras Desta, the last leader of the rebellion.

"Foreseeing the danger, Ras Desta - thru agents - again and again promised his submission and that of his followers, trying to convey the impression that his own forces were reduced in number and practically without weapons.

"But while imploring our clemency, Ras Desta was gathering instead the greatest possible number of men in order to resist the advance of our troops of occupation.

"Having sensed at last that Ras Desta was only trying to gain time, you ordered me at a certain moment to cut short his maneuvering and to grant him seven days' time for surrender; after which lapse of time any act of generosity towards him would have been impossible.

"The Ras answered by letter expressing his astonishment for such an injunction, which, he stated "did not answer his expectations". On January 7th, when the seven days allowed him had expired, I left for the region of the Lakes in order to assume personally the command of the police operations.

"Meantime, I gave orders that the Libyan Division under General Nasi should advance from the Northeast against the rebels and the Division of General Geloso with the same objective, from the Southwest.

"The battles which took place on January 20th, 21st and 22nd in the zone Arbogoma-Chevenna, marked a real rout of the enemy's forces, which left in our hands, four guns, thirty machine-guns and over 5000 rifles.

"Immediately after this action, more than 15,000 inhabitants with their cattle and impediments returned in the zone which had been occupied by our troops, expressing their satisfaction for having at last been delivered from the Seican yoke.

"It was after this action that Ras Desta, followed by a few men threw himself towards the west slopes of the rugged Dillo zone where he found an unexpected support in the person of Beient Merid who had sought within the same region a protection from our columns advancing in the Bale zone.

"The troops of both General Nasi and General Geloso reached this area rapidly.

"After having destroyed, in two violent combats, near Iebanè, the enemy's resistance, our troops were launched in pursuit, blocking all passages between the various lakes, thus pushing towards the north the remaining forces who were terrorized by the action of our troops and the bombing by our aviation.

"It was then apparent that the rebel leaders were attempting to reorganize in the regions of Guraghe and Gambata, at about two hundred (200) kms. south of Addis Abeba.

"I deemed it wise to let this assembly take place in order to have a definite objective against which to act at the right moment.

"Hence, I continued my tour of inspection thru the regions of the Galla Sidamo, Somaliland and Harrar.

"At Moggio I called a meeting of General Gallina, General Mischi and Lieut. Colonel Natale and issued orders for the formation of two columns which, coming down from Moggio and from Addis Abeba thru the regions of Guraghe and Gambata, would join the columns coming from the south.

"The results attained by this maneuver, fully achieved with the able assistance of our aviation, have been complete.

"On February 19th and 20th, the troops of General Batale reached the rebels' formations which were trying to escape from our pressure.

"In the battle of Goggetti, the Deggiac Beient Merid was taken prisoner and executed, and in the same fight the Deggiac Gebre Mariam, our staunch enemy who, in 1931, had dared to attack us along the borders of Somaliland, was killed.

"Ras Desta Damtew, who was in command of the rebels in the battle of Goggetti, succeeded, once more, in escaping, but he was relentlessly braked down and on February 24th was overtaken by the Tigray Band of the Deggiac Tolu under the command of Captain Tucci. Ras Desta was taken prisoner and executed.

"Duce! Your orders, as per usual have been carried out, and I am proud to place in your hands the complete victory which will now permit us to busy ourselves with our further preoccupation with the task of civilizing and exploiting the Empire.

- - - - -

Marshal Graziani recently made an inspection trip of several thousand kilometers covering part of the lake district, part of Somaliland, the Ogaden and the Harrar area. He traveled by automobile with an escort of 50 men. The Italian press made much of this trip as indicating the extent to which the pacification of Abyssinia had extended.

Shortly after Graziani's return to the capital, an attempt was made to assassinate him. The reports of the attempted assassination are very meager and bear the stamp of carefully prepared official communiqués. It appears that during a public ceremony a number of hand grenades were thrown at him. Graziani was wounded (according to the Italian press) slightly. He is now reputed to be suffering from pneumonia contracted after undergoing an operation made necessary by his wound. General Liotta, Chief of Aviation in East Africa, who was with him was seriously wounded. It is reported that he lost an eye and also had to have a leg amputated.

It is not possible yet to know exactly what happened. The Italian press carried reassuring statements that the uprising was not serious, that the city was well protected by a garrison of 30,000 Italians, that 3,000 Fascist Militia had the situation under control. The attempted assassination was followed by wholesale arrests. Natives found in possession of fire arms were summarily executed. It is probable that the total number of executions will be between one and two thousand - many more than were executed by Marshal Badoglio after the Addis Abeba riots of last May.

It is possible that the uprising in Addis Abeba was part of a prepared plan including an attack on the city by Ras Desta Damtew. The latter was finally defeated or captured near GOGGETTI at a distance of only about 50 miles from the capital.

For the past several months, all workmen leaving Italy for East Africa have been enrolled in the Fascist Militia. The organization of the labor units into militia has now been extended to those labor elements already in East Africa. A recent announcement states that now all workmen in East Africa have been enrolled in the Militia.

Heretofore only a few high government officials were permitted to have their families with them in East Africa. On February 20th the C. A. 30 departed from Naples carrying 1400 women.

on their way to join their husbands in East Africa.

The Asmara-Addis Ababa road is nearing completion and will be finished by the middle of June, prior to the heavy rains. It is now complete from Asmara to Queren. The section Queren-Dessie is finished except for surfacing. From Dessie to Addis Ababa the road is still under construction but work is being pushed rapidly.

A celebration is being planned in Rome for May 9, the first anniversary of the Empire. It is understood that all of the soldiers who participated in the campaign will parade in Rome. Marshal Graziani and Generals Santini and Pirzio Birele are expected to return from East Africa for the celebration.

NORMAN B. FISKE,
Major, Cavalry, U.S.A.,
Asst. Military Attaché.

DATED Apr. 25, 1937 FROM THE
AMERICAN EMBASSY IN ROME, ITALY

G-2 Report.

4000

ITALIAN EAST AFRICA (ECONOMIC).

Subject: Economic - General.

Economic Development of Italian East Africa.

AREA AND POPULATION:

Italian East Africa, including Eritrea, Italian Somaliland and the former state of Abyssinia, comprises 365,000 square miles and has an estimated population of 7,600,000 (see ITALY NO. 15,767-2010, January 29, 1937, for details). I judge this population estimate to be a conservative one. No portion of the Empire is thickly populated and large areas are practically uninhabited. The most thickly populated sections from my observation largely from the air are the Gonder region, the High Plateau from Macalle to Addis Abeba and the Lake region. The Anaso Basin, the Danakil Depression, portions of the Western Lowland Zone and large areas of Somaliland are almost completely devoid of human habitations. For comparison, Italian East Africa has a population density of 11½ per square mile, with the less densely settled areas of the United States approximately the same size:

	Area in sq. miles:	Population:	Density per sq. mile:
Italian East Africa:	365,000	7,600,000	11.5
Arizona)		455,573	
Nevada)		91,058	
New Mexico)		425,317	
North Dakota) 1936		680,845	
South Dakota) Census.	684,106	692,849	
Utah)		507,847	
Wyoming)		225,565	
		3,057,054	4.5

The administration of Italian East Africa is completely in the hands of the Viceroy who functions under the Ministry of Colonies. The military activities during the war and the police operations since the war have been conducted on the principle of unity of command. The War Ministry and Aeronautics Ministry furnish the requisite personnel, equipment, armament and supplies and transported them to the base port. The Ministry of Marine then transported them by sea to the territorial waters of East Africa where they come under control of the Governor General (later Viceroy).

The same principle is extended to the government in the various territorial sub-divisions. All governmental functions, civil and military, are under the direct control of the Military Governor.

MILITARY ATTACHE

Asmara, Eritrea

1937

U-2 Report.

-2-

4000

The fundamental law governing the organization and administration of Italian East Africa is now being translated and will be forwarded in the next pouch.

COMMUNICATIONS.

Most rapid progress has been made in building the communications for the new Empire. Adequate communications were of course essential to the military campaign and subsequent military pacification and consequently road, telegraph and airway construction has been given first priority for the native and Italian labor and the combat troops.

Roads.

No. 1 Diagram shows the main highway net as constructed, under construction and projected. The more necessary highways, i.e. MASSAUA-DDESSIE, ASSAB-DDESSIE, ASMARA-GONDAR, DDESSIE-ADDIS ABABA, will be completed by June 30, 1937, in time to carry traffic during the season of heavy rains. In addition to the highways shown above there are a large number of excellent lateral and secondary roads. Some have been graded and surfaced with gravel, others are natural roads made by clearing away the brush. They will not handle sustained heavy motor traffic and often they are not practicable in rainy weather but they serve very well as feeders to the highway system and for local traffic within the areas concerned. They are further augmented and supplemented by a great many well defined caravan trails.

No. 2 Diagram shows the profiles of such portions of the new highways as are being constructed in Abyssinia.

Railroads.

Only the two narrow gauge lines MASSAUA-ASHARA-CHERAN-ABORDAT and BOGADISCIO-VILLAGIO LUCA degli ABRUZZI are at present in operation. It is contemplated at the present time to extend these two narrow gauge lines and to construct new standard gauge as shown in No. 3 Diagram. Railroad construction, however, will follow road construction and the plan here outlined may be modified in accordance with subsequent growth and development of the Empire.

Airways.

Commercial airways have now been established on a three-times-a-week schedule as shown in No. 4 Diagram. A regular airline is in operation between ADDIS ABABA and ROME via BERGAMO-CAIRO-ANTOUN-CASSALA and ASMARA. Commercial service within the Empire will no doubt be increased as traffic warrants.

In addition to the established airports there are abundant landing fields. Many were built during the military campaign, others were constructed by the local civil officials (commissioners and residents) using local native labor.

Cable Line.

A large part of the traffic from the port of MASSAUA to the high plateau is now carried by the newly constructed cable line which operates from MASSAUA to NIFANIT and thence to ASHARA.

ASMAR

To CASSALA
KHARTOUM
CAIRO
BENGASI
ROME

Also Via
Imperial Airways
ALEXANDRIA
ATHENS
BRINDISI
ROME

ASSAB

GIJUBI

DIRE DAWA

ADDIS ABABA

GOBLANET

BALOT UIN

MOGADISCIO

DIAGRAM No. 4 -

Commercial air lines -
Italian East Africa.

Service at present: 3 airplanes
each way per week.

Inland Waterways.

There is very little that can be done toward developing inland water traffic. The project for flooding the Danakil Depression and thus forming an inland sea has not been considered practicable. The GIUBA River from DOLO to the sea at CHISIMAI is navigable except at BARDERA where navigation is blocked by rapids. This obstacle can be overcome at no very great cost and it is expected that the work will be undertaken in due time. The existing waterway from GAMBELA via the BARO, the SOBAT and the WHITE NILE is the natural trade route for a large section of western Ethiopia and may be expected to be used as soon as a satisfactory accord can be reached with Great Britain and Egypt.

Sea Ways.

Sea communication with East Africa is very good. The trip is ordinarily made to MASSAUA in 8 days, to MOGADISCIO in 15 days. There are several lines operating on the East Africa run and all of the Italian lines to the Orient call at MASSAUA.

Telephone and Telegraph.

The main highways are paralleled by copper telephone and telegraph lines on steel poles so that good wire connection is now to be had with all parts of the Empire connected by highway. The chief radio stations at ASMARA, ADDIS ABEBA and MOGADISCIO communicate with Italy (COLTANO). Radio telephone is in operation between ADDIS ABEBA or ASMARA and ROME. Telegraph and telephone rates are exceptionally low. For example, 5 minutes conversation between Rome and ADDIS ABEBA is 30 lire (about \$1.50).

Hotels.

Nothing has been done as yet toward establishing hotel accommodations in the Empire. The few hotels in ADDIS ABEBA have been taken over by the Government and reserved for official visitors. This matter however is under serious consideration, for it is the earnest desire of the Government to attract visitors to East Africa as soon as it is safe for them to go.

Colonization.

Little progress has been made to date in colonization. It is considered too early to attempt any large scale colonizing projects. The country is not yet safe enough for settlers and the matters of land distribution, crops, etc., have not yet been fully studied.

Two Italian colonies have so far been established. They are:

OLAITA, near Addis Abeba -
BISCIUTO, near Harrar.

The colonists are discharged soldiers and they are settled on lands formerly owned by the Ethiopian government.

According to the Ministry of Colonies, it is not the intention of the Italians to take over any land now owned and cultivated by the natives. I pointed out that the natives had only

cultivated a little of the very best land and that such a policy would leave the Italian settlers on only the less fertile. Nevertheless they maintained that for political reasons they wanted a contented native population and if they took away any of this land they would never have contentment.

The Ministry of Finance has allocated not to exceed 11,500,000 lire for state participation in joint stock companies whose purpose is the construction, furnishing and operation of hotels in Italian East Africa.

The Ministry of Colonies has issued certain regulations for the issuance of free passes to individuals or firms who already have interests in Italian East Africa, or who wish to go or send technicians in order to study the possibility of developing such interests. These passes are also applied to workmen desiring to colonize or for other nationals wishing to join relations residing in the African colonies for reasons other than work.

The Ministry of Colonies must verify the substance of such requests for passes, which will be issued by the Police Department in the case of private individuals or firms, by the Ministry of Colonies in the case of employees, and by the Commissionership for Immigration and Colonization in the case of laborers.

Persons going to Ethiopia via Gibuti must have the French visa on their pass.

BANKING:

It will be recalled that one of the first acts of the Italian authorities following the capture of Addis Abeba and proclamation of the Empire was to wind up the affairs of the former Imperial Bank of Ethiopia and supplant it by a branch of the Bank of Italy.

Somewhat later the Bank of Rome (Asmara and Massawa branches) was invested with certain delegated powers enabling it to act as agent for the Bank of Italy with regard to certain transactions.

Now the Bank of Rome has issued a public announcement of general banking facilities it is in a position to offer its clients in Ethiopia, Eritrea and Italian Somaliland; the substance of it appears below.

On September 3, 1936, the new Addis Abeba branch of the Bank of Rome was officially inaugurated and opened for business. Within a brief time a branch will be opened at Assab, and additional branches at Harrar and Dessie are in course of organization and their openings will be announced later.

The establishment of these branches will carry into effect the mission confided to the Bank of Rome, i.e. the formation of a banking chain to serve the new colonial Empire. With the branches already in operation at Addis Abeba, Asmara, Massawa and Mogadiscio (and the one at Assab nearly ready to commence operations) the principal maritime and interior regions of the East African colonies are provided with adequate banking facilities.

EXPLOITATION OF NATURAL WEALTH.

It is yet too early to foretell with any expectation of accuracy what natural wealth Italy will be able to draw from her new empire. Articles appear from time to time in the press indicating that the country is rich in gold and platinum, that copper and iron have been found in commercial quantities, etc. etc., but these accounts do not emanate from authoritative sources. Officials of the Ministry of Colonies say that they should be viewed with reserve; that mostly they are written by newspaper men in Addis Abeba after superficial conversation with one or more of the private prospectors and that they are apt to be inaccurate and somewhat highly colored.

At present very little is known about the wealth of Ethiopia that was not already known before the Italian conquest. Extensive surveys are now in progress. There are now more than 40 different commissions, both government and private, exploring, prospecting and studying in Abyssinia with a view to acquiring information about the natural wealth. Until the reports of these commissions have been received and evaluated, no comprehensive plan of exploitation can be developed.

I am informed, nevertheless, by the Ministry of Colonies that it is confidently expected that many of Italy's deficiencies in foodstuffs, agricultural raw materials and minerals will be supplied by the wealth of the new territory. I feel from such observation as I have made personally that this expectation will in large measure be realized.

FOODSTUFFS.

Italy is not quite self sufficient in foodstuffs. Her chief deficiencies are grain (wheat, corn, barley and oats), tobacco, meat and coffee.

All of these can, I believe, be produced in Ethiopia in sufficient quantity to make up the deficiency. The country lends itself readily to irrigation. The high mountains and deep canyons furnish excellent natural reservoirs which the Italians with their genius for building will soon dam up, thus impounding the water of the heavy rains for use during the dry months.

GRAIN.

The native grain, durrah, grows very well on the high plateau. It is altogether possible that the soil and climate are also suitable to wheat, barley and oats. This, however, can only be determined by experimentation. Work along that line is now going on in all parts of the occupied territory. It is being done by Italian farmers who served as soldiers in the campaign and who have been discharged in Africa. The lands of the natives of such of the races who did not submit to the Italian domination have been confiscated and parcelled out for this purpose.

TOBACCO.

Tobacco has been cultivated in the old Italian East African colonies with good results but in small quantity. It is intended to extend this cultivation to Ethiopia again, after

due experimentation, to determine the regions and the varieties best adapted.

MEAT AND MEAT PRODUCTS.

The natives have always lived chiefly by stock raising. Even during the war thousands upon thousands of head of cattle, sheep and goats could be seen grazing on the mountains and in the lowlands generally moving up and down with the seasonal rains in search of the best grazing. It is a practical certainty that this native industry can be expanded and developed so as to render Italy independent of foreign sources for her supply of beef products. It is doubtful if the colonies can be made to produce pork and pork products in appreciable quantity, but not at all impossible for corn is now being grown in many places and further experience may show that it is a useful crop.

COFFEE.

The Kaffa region is said to be the original home of the coffee bean and the region from which coffee derives its name. Excellent coffee is now being grown in Ethiopia and in Eritrea. The present supply is not sufficient even for the needs of the Italians in East Africa but nevertheless a portion of the crop is being shipped to Italy to acquaint the people with Ethiopian coffee and Italy confidently expects that eventually the crop will supply all domestic needs and perhaps afford an exportable surplus.

OTHER FOODS.

Other food products produced in East Africa are fruit, sugar, cocoa and vegetable oils. While not listed as deficiencies in the national economy these products will help greatly to make Italy self sufficient in foodstuffs and may become valuable items of export.

AGRICULTURAL RAW MATERIALS.

Italy's chief deficiencies in this category are: cotton, jute, lumber, wood and wood pulp and rubber. Of these the new Empire can supply no lumber except certain hardwoods, no wood and wood pulp and probably no rubber.

Experiments are being made with the growing of rubber and rubber substitutes in North Africa. It is quite possible that certain parts of East Africa may also be found suitable.

COTTON.

Italy imports annually 2,000,000 quintals of raw cotton for her cotton textile industry. The great bulk of this comes from the United States. Since this represents such a large item in her balance of international payments every effort is being made to eliminate it by planting her own cotton in Abyssinia. Cotton has been raised in Italian Somaliland in the river valleys of the GIUBB and the UBI JOBBELLI but the malaria and the Tse Tse fly and the generally unfavorable climate has combined to limit production to a few thousand bales annually. It is estimated that with average crops Italy can satisfy completely her cotton requirements with 400,000 hectares (about 1,000,000 acres) under cultivation. A cotton mission (Missione per il Cotone) is now in Africa studying the conditions and the areas best suited to cotton plant-

ing. The area about GONDAR and extending from there to the SUDAN frontier and to the SAHIL River is reported to be the best. Other areas are favorably reported upon around DESSIE and around ADDIS ABABA. These three sections of the country are pretty well under Italian military control. Experimentation can be carried on now and production may be expected to follow in a few years.

It is estimated here, with perhaps a degree of optimism, that within 5 years 200,000 hectares can be planted, thus reducing Italy's imports of raw cotton by about one-half.

OTHER VEGETABLE FIBERS.

Sisal has been grown in Eritree and its cultivation can no doubt be extended to many parts of the new Empire. Jute also may be grown in East Africa although the present production is negligible.

Charcoal. It would be possible to produce a certain amount of charcoal in East Africa, not sufficient to supply home needs but adequate for use out there. At present there is under study a project to utilize charcoal to run the motor buses and freight trucks on the new East African highways, thus eliminating the import of gasoline and fuel oils.

Hardwoods. The chief hardwood product is the "palme d'um" from which buttons are manufactured.

ANIMAL PRODUCTS.

There is every prospect that Italy will eventually be able to supply herself with all of the products of this category.

Meat and Meat Products. Discussed under Foodstuffs. It might be added however that the production of milk and milk products is also under study in the Empire.

Hides. Abyssinia has for years been an important producer of hides and Addis Abeba an important hide market. The hide market has now been transferred to Naples. It should eventually balance Italy's hide imports and perhaps afford a surplus for export.

Wool. This important item on Italy's deficiency list has every prospect of being eliminated as a result of colonial production. A Wool Mission (Missione per la Lana) is now studying the matter in East Africa. It is planned to introduce in each of a number of different localities throughout the Empire several different varieties of sheep in order to determine the variety best suited to the particular climate. The entire High Plateau and the greater portion of the Lake Region appear to be suitable. Experimentation on a large scale is to be carried out in ACHARA, GOGGIAN and SOIOA.

In speaking of the mineral resources of Abyssinia at the present time it must constantly be remembered that the country is vast and relatively unknown. Prospecting has been done in only a superficial way. No one knows anything definite as to the mineral wealth of the land. About all that can be said with certainty is that certain metals such as gold, platinum and iron are to be found in commercial quantities and that the limited surveys thus far carried out give promise of further discoveries.

EAST AFRICAN MINING ADMINISTRATION. (Azienda Mineraria Africa Orientale)

By Royal Decree of January 30, 1937, there was set up in the Ministry of Colonies a mining administration to exploit East Africa either by itself or by controlling and directing commercial companies (See ITALY #15,783-4100, February 5, 1937).

To date the Mining Administration has sanctioned the activities of five mining companies. They are:

PLATINIFERA PRASSO. Organized by Engineer Prasso who was engaged in the mining of platinum in Abyssinia prior to the Italo-Abyssinia war. Its capital is Italian, French and English with a majority Italian. It is engaged primarily in producing platinum in the JUBBA region of western Ethiopia. The foreign capital is reputed to be supplied by the French "Société des Concessions Prasso" and the British Jubba Mining Company and Birbir Mining Co.

THE EAST AFRICAN MINERAL AGENCY (Azienda Minerale Africa Orientale, AMAO). This company is entirely Italian. It is essentially a gold mining company. It has been operating in ERITREA and has now been authorized to extend its activities to the newly occupied areas.

THE ETHIOPIAN MINING CO. (Società Mineraria d'Etiopia). Its head offices are in Milan and it is supported by the National Confederation of Industry. Authorized capital is 20 million lire which may be increased to 50 million lire. It is entirely Italian.

THE EAST AFRICAN MINING CO. (Società Mineraria Africa Orientale). This is an Italo-German Company capitalized at 50 million lire of which 51% Italian and 49% German. (See Italy 15,760-4100, January 26, 1937, for full description.)

Each of these companies has experts and technicians now in the field. Further activity awaits their reports. Information now available on the potential production of the various metals follows:

Gold:

Gold has been produced in paying quantities in Abyssinia and in Eritrea for many years. Mines I have visited in East Africa were surface mines easy to work and with high grade ore. Development has been retarded heretofore by the absence of suitable roads and other communications, the questionable friendliness of the people and of the government and the necessity of paying a heavy tribute to the many and various officials of the territory in which the mine is located and through which the gold has to be transported to get it out of the country.

Many of the deposits, while rich, were not extensive. It did not pay to build roads and set up stamp mills under such uncertain conditions.

With excellent highways now being extended to all parts of the Empire, the Italian Government on its authorized mining companies should be able to increase gold production to a very great extent. In the near future it is expected that production for the Empire will reach 15,000 to 20,000 kilograms per year, or a value of 315 to 420 millions of lire.

Platinum:

This metal was discovered in southern Abyssinia 12 years ago. It has been mined successfully by Italians (the engineer

Prasso, among them) prior to the Italo-Abyssinia war. The annual output with the primitive methods and small scale operations employed reached 300 kilograms.

An exploitation company has now been formed to recommence operations in the*JUBDA region and to prospect elsewhere for platinum. It is called the PLATINIFERA PRASSO. The capital is Italian, English and French, with a majority of the stock held by Italians.

Exploitation is in progress. No information is yet available on the size and extent of the deposits found.

Petroleum:

The all important question as to whether or not there is any petroleum in Abyssinia has not yet been answered and probably will not be answered for several years. I talked with F. W. Rickett on this subject several months ago. It will probably be remembered that he obtained a concession from the Negus and sold it to the Standard Oil Co. of New Jersey. Rickett, while reluctant to make any definite statement, tacitly admitted that the whole affair was a gamble and that there was no specific indication of oil. Many geologists have inclined to the view that oil could not be produced because the country was overlain with several thousand feet of lava. This is not altogether true. There are many outcroppings of sedimentary rock even in the mountains and the principal rivers have all cut through the lava strata and well down into the underlying sedimentary strata.

Oil has definitely been found in the DAHLAC Islands, off Massawa; whether in sufficient quantity to justify exploitation is not yet known. It would seem therefore that the most likely areas for test drilling would be the AUASO Basin and DANCAUA. Italian geologists and engineers are known to be studying this area but so far as can be determined at this time no actual drilling has taken place.

Copper:

Press accounts tell of the discovery of a large copper vein in western Ethiopia (See ITALY #15,879-4120, dated March 17, 1937). It is difficult to evaluate such reports for the reason that the source of the information is not given and there is a natural tendency on the part of the Italian press to elaborate on the great wealth of the newly acquired Empire. No confirmation of this discovery could be obtained from the Ministry of Colonies.

Iron:

Iron ore is to be found at various places over an extended area in Abyssinia and in Britren. The practicability of large scale production is as yet undetermined. It is under study of course but even if found practicable it will require a number of years and the expenditure of a great deal of money for development.

Coal:

No real coal deposits have been located to date. Some lignite has been found (See ITALY #15,734-4110, dated January 18, 1937).

* JUBDA - 65 miles NE of GAMBELA. See Gambela sheet, 1:1,000,000 map VII - g.

Lead and Silver:

These metals are known to exist in small quantities. Surveys to date have not so far as known indicated that they are to be found in commercial quantities.

Sodium and Potassium Salts.

The Danakil Depression and the Hafun Bay (Somali-land) afford extensive deposits of sodium and potassium salts which have been and are being worked. These deposits however are in the old Italian colonial territory and are not attributable to the recent conquest.

Building Materials:

Granite and some other building stones are to be found in abundance in various parts of the country, sufficient for all colonial needs.

Authority has been granted for the operation of cement plants in each of the five territories of East Africa. A company known as the Soc. An. Cementerie dell'Ethiopia with a paid up capital of 10 million lire and an authorized capital of 20 million lire has been formed.

Cement, bitumen and a small amount of steel are the principal materials required for highway building. The extensive highway construction now going on in East Africa is carried out by the Road Board (Azienda Autonoma Statale della Strada), Ministry of Public Works, and by the following private contractors:

S. E. Puricelli,

Via Collegio Romano 10, Rome

Spett. Ditta Romolo Vaselli,

Piazza del Parlamento 28, Rome

Impresa Mia Federici,

Corso Vittorio Emanuele 24, Rome

Soc. It. A.B.C.L.

Via del Tritone 169, Rome

Gr. Uff. Pietro Gidonio,

Via Cassia 17, Rome

Ditta Severio Parisi,

Via S. Martino della Battaglia 4, Rome

Flli. Sobra,

Via del Tritone 102, Rome

Ing. I. Ferrobeton,

Via Catania 9, Rome

Emulsions are used on all roads constructed in the Italian Colonies. Water is the principal addition to bitumen to make an emulsion, and the bitumen is generally transported direct to the seat of operations where the emulsion is prepared. The chief reason for this procedure, it is stated, is the tremendously high cost of inland transportation (usually trucks) in the Colonies, where material often has to be transported over distances of more than 1,000 kilometers, which multiplies the original cost of the material as much as ten times.

S.A. Paricelli and the firm of Romolo Vaselli are the principal manufacturers of emulsions for Italy, but all the contractors have their own private (secret) processes which they use on the spot.

The firms cited above operate not only in Ethiopia but also in Libya and Tripoli.

ELECTRIC POWER:

The possibilities of generation of electric power are almost unlimited in Abyssinia. A commission is now in East Africa studying this question with a view to a plan to erect certain industrial areas in the new country.

TRADE WITH EAST AFRICA:

While no restrictions exist relative to the establishment of an industry or business in Italian East Africa (Abyssinia), it is required that all those, whether foreign or Italian, who are interested in starting any form of business activity in that country make written application to the Direzione Generale, Africa Orientale, Ministero delle Colonie, Roma. This application should give full details regarding the proposed industry or business activity, capital to be invested and held by the parent company, and other such pertinent data as will enable the matter to be impartially examined. These applications are passed upon by two examining boards at the Ministry of the Colonies, one of which handles trade applications, while the other covers applications applying to industry.

where it is proposed to export merchandise to Italian East Africa, it is necessary in the first place to obtain a permit for the importation of the goods. Applications for such permits must be addressed to the local Governor of the colony whence the goods would be shipped, and where a resident examining board functions.

It should be noted that as the port of Gibuti is only able to handle the vast amount of military supplies, all other merchandise is shipped to the port of Massaua from whence it reaches the interior by motor roads. At present the Customs Tariff applying to the Colony of Eritrea is being used for the newly acquired territory of Abyssinia. This has recently been brought up to date and published in the publication "Azione Coloniale", copies of which are enclosed.

The importation of goods of Italian production is free except that,

(a) for petroleum and its derivatives and lubricants, only those manufactured by the A.G.I.P. company will be admitted.

(b) for trucks and automobiles a special embarkation permit must be obtained from the Ministry of the Colonies.

The importation of nationalized merchandise, that is, foreign merchandise on which duty has been paid in Italy, is prohibited.

The importation into East Africa of foreign merchandise, whether direct from the foreign country or from customs warehouses or free zones in Italy, etc., must be previously authorized by the competent Colonial Government. Applications for such authorization are made, in the cases of Eritrea and Italian Somaliland, to the respective governments and for other East African

territory to the Governor General in Addis Ababa.

The application, which is made in duplicate, must show the reasons justifying the importation, the quality and the quantity of the proposed importation, its origin, the approximate amount of foreign exchange requirement to pay for the merchandise, and the approximate dates of importation and payment.

Import permits have a validity of 90 days, and are strictly personal and non-transferable. The foreign exchange will be put at the disposition of the local branch of the Bank of Italy through the opening of credit in favor of the interested party which ordinarily will be paid on presentation of the documents covering the merchandise. In case payment is desired in another manner, the terms of payment will have to be specified in the application for the import permit.

Foreign raw materials brought to Italy under temporary importation and manufactured in Italy by Italian labor are admitted to importation as if they were national products without the necessity for previous authorization and without the necessity for making application to the respective governments.

The export of merchandise from Italian East Africa direct to Italy is entirely free except for some goods that are prohibited by the local governments.

Export of merchandise from Italian East Africa to foreign countries is subject to previous deposit with the branches or agencies of the Bank of Italy of the corresponding foreign exchange.

Hotels.

Hotels.

It is announced that two companies have been constituted for construction and operation respectively of hotels in Italian East Africa.

The first, Società Immobiliare Alberghi Africa Orientale Italiana (S.I.A.A.O.I.), has an initial capital of 12,000,000 lire, which may be increased to 25,000,000 lire during the year, and eventually to 100,000,000 lire. Its function will be to construct, furnish, and let hotels.

The second, Società per la Gestione di Alberghi nell'Africa Orientale Italiana (G.A.O.I.), has an initial capital of 1,800,000 lire, which can be increased within the year to 3,000,000 lire, and eventually to 15,000,000 lire. Its function will be to operate hotels. The State will contribute to the establishment of these companies to a total amount of 11,800,000 lire. Part of the capital will be subscribed by the Italian hotel industry.

Hides.

A survey of the Ethiopian trade in hides is contained in a press article published in the Milan "Il Sole". A summary follows:

Of the 170,000,000 goats, sheep and cattle in all of Africa, about 80 million are concentrated in the countries bordering on the Red Sea: Abyssinia, Eritrea, Somaliland, Aden, Arabia, and the Sudan. The traffic in skins from all these countries has always been concentrated at Aden and it can be safely said that the greater part of the skins flowing to the port of Aden are of Ethiopian origin. The number of sheep, goats and cattle in Abyssinia and Somaliland can be calculated at about 240 to 50 million head, which would give an annual production of about 15 million skins, corresponding to a weight of 20,000 tons. However, not all are exported, either through lack of means of transport from the place of

slaughter in the interior to the ports of shipment or because they have been ruined through rough treatment. While there are no official statistics, reports by English and American collectors, who are those most interested in this business, give the following estimates of the annual production of Ethiopian skins:

Cattle hides	about 2,000,000
Sheep and lambskins	" 6,000,000
Goatskins	" 7,000,000
Gazelle skins	" 1,000,000

As for the Cyrenaica and Libya, recent statistical data on the zootechnical riches of these colonies give the following animal census :

Sheep and goats	about 2,000,000 head
Cattle	" 60,000 "
Camels	" 85,000 "
Asses	" 30,000 "
Horses	" 10,000 "

The sheep of Cyrenaica and Libya produce a very high grade long fibre wool for use both in mattresses and in textiles, while the Abyssinian sheep do not produce wool at all, being of the hair type called "gabretta" in international commerce. Therefore, Italy cannot hope for any immediate addition to her wool resources from the conquered territory, but much improvement can be made in both quantity and quality of the wool production of Libya and Cyrenaica, especially when it is considered what riches France has in the twenty million sheep in Tunis, Algeria and Morocco, the wool of which is imported into Italy in large quantities since it is preferred, because of its better quality, to the wool from the Italian colonies.

Transportation forms by far the largest part of the cost of Ethiopian skins, for the means of transport in that country are at the best rudimental and at some times of the year impracticable. For instance, one of the members of the recent Italian commercial mission to East Africa said that at the centers of production cattle hides of 17 kilos do not cost more than 2 or 3 lire, while their transportation a few hundred kilometers just to Addis Ababa costs almost 20 lire. It is useful to note that in Ethiopia skins are sold by the "frassella" which is equivalent to 7 kilos or by the score (20 skins). There is a great variation in the prices of the same quality of skins depending on the possibilities and the cost of transportation. This inconsistency in price and lack of organization in internal transportation has created a chaotic situation in the Ethiopian commerce in skins to the advantage of certain rich firms who organized a special service of their own for collecting the skins and have thus secured a practical monopoly.

Export Statistics.

As stated above the annual production of skins in Italian East Africa is about 20,000 tons of which, however, much is either lost or consumed in the country. The average annual exports from this region in the last ten years have been:

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Cattle hides	about 1,000,000	weighing	6,000 tons
"Cabrettas"	" 4,000,000	"	4,000 "
Goatskins	" 5,000,000	"	4,000 "
Total	10,000,000		14,000 "

These skins are concentrated at Aden and are shipped to the following destinations:

England	about 50%
France	" 30%
United States	" 15%
Germany	" 10%
Italy and other countries	" 5%

Thus it is seen that Italy's share in this trade is negligible and it is folly to imagine that it could suddenly absorb all this raw material. The writer suggests that the first thing to do is to control the foreign exchange resulting from the exports, which is difficult as long as exports are allowed direct to foreign countries for the invoice values given are far below the real values and in any case represent only the price at which they are bought inland. To remedy this situation it is suggested that direct export be prohibited and that all colonial skins be concentrated at some Italian port, preferably Naples. In this manner the foreign exchange obtained would probably be double if not triple that secured under direct export.

Note: The article of which the foregoing is the gist was signed by N.M. Cori, of Naples.

Forwarded with this report are the following inclosures:

Inclosure 1. Schedule of Steamship sailings from Italy to Italian East Africa, Commercial Air Lines to and within the Empire and Railroad Schedules in East Africa, March 1937 (6 copies).

Inclosure 2. 1937 Edition, Topographic Map. Africa Orientale Italiana, 1:2,000,000 showing territorial subdivisions (1 copy).

Norman E. Fiske
Major, Cav. USA
Asst. Military Attaché

ITALY (POLITICAL)

Subject : Relationship Between Mother Country and its Dependencies.

Governmental Organization and Administration of Italian East Africa.

This report supplements ITALY No. 15320-3030, No. 15353-3030, No. 15536-3030 and No. 15749-3030. It gives in full the text of the fundamental law for the administration of Italian East Africa. The following is a translation of the text of the law :

PART I.

Political-administrative organization of Italian East Africa.

Art. 1.

The territories of the Empire of Ethiopia, Eritrea, and Somaliland comprise Italian East Africa.

These territories have a juridical status as presented, in the name of the King Emperor, by a Governor-General vested with the title of Viceroy of Ethiopia.

Art. 2.

The Ethiopian Empire comprises:

the Governorship of Amara; capital, Gondar;
the Governorship of Galla and Sidama; capital, Gimma;
the Governorship of Harar; capital, Harar;
the Governorship of Addis Abeba, with municipal administration headed by a Governor who is directly controlled by the Governor-General.

Each Governorship has juridical status.

Art. 3.

The territory of the Governorship of Amara is bounded:

To the north and north-east, by Eritrea along a line following the course of the Setit-Tacazzè and the Teollari rivers, passing south of Lake Ascianghi in the vicinity of Maram and reaching the boundary of Aussa;

To the south-east, by the Governorship of Harar along the Anaso river as far as its junction with the Moggio;

To the south, by the territory of the Governorship of Galla and Sidama along the Blue Nile from the Sudan border up to the Mughar junction and following a line running from the Mughar to the territorial limits of Addis Abeba; by the territory of Addis Abeba from Barga to the Anaso and Moggio river junction;

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To the west, by the Anglo-Egyptian Sudan.

The territory of the Governorship of Galla and Sidama is bounded:

To the north, by the territory of the Governorship of Amara and that of Addis Abeba along the line indicated above and as far as the Ausage - Moggio river junction;

To the east, by the territory of the Governorship of Harar, from the junction of the Moggio along a line which, proceeding in a southerly direction, follows the slopes of the plateau towards the lakes and reached the sources of the Uebi in Hghis then follows the eastern border of the Sidama as far as Ganale Doria, and finally the Ganale Doria as far as the Italian Somaliland border at the base of the Dal Verme falls, thence in a straight line to Kaloa Harre on the Dawa Parma;

To the south, by Kenya Colony and to the west by Anglo-Egyptian Sudan.

The territory of the Governorship of Harar is bounded;

To the north by Eritrea along the southern limit of the Aussa, starting from French Somaliland;

To the north-west, by the territory of the Governorship of Amara along the Ausage up to the Moggio junction;

To the west, by the territory of the Governorship of Galla and Sidama along the line indicated above;

To the south, by Italian Somaliland;

To the east, by French and British Somaliland.

The Governorship of Addis Abeba comprises the regions of Addis Abeba, Addis Alem and Moggio up to the Barga stream and the Ausage river.

Art. 4.

The territory of Tigrai between the Mareb - Belesa - Muna line and the Tacasno - Tsellari - Lake Ascianghi line and also the Danakil territory from the lowland east of Lake Ascianghi to the southern boundary of Aussa are part of Eritrea and are placed under the jurisdiction of that Governorship.

The territory inhabited by the Somali Ogaden population bounded by the British Somaliland border and the Danata, Uebi Gestro and Ganale Doria rivers, is part of Italian Somaliland and is under the jurisdiction of that Governorship.

The Governorship of Eritrea and the Governorship of Somaliland have juridical status.

Art. 5.

The Governor-General Viceroy is directly under the Minister of the Colonies. He represents the King Emperor in Italian East Africa and is the supreme chief of the Administration.

The Governor-General Viceroy may pardon and commute sentences in the name of and by delegation of the King Emperor for subjects of Italian East Africa tried before any ordinary or extraordinary judicial body in Italian East Africa.

The Governor-General Viceroy may be delegated, with respect to the territories under his control, the powers invested in the Government of the King.

The Governor-General Viceroy commands all armed forces stationed in the territory and in the territorial waters of Italian East Africa.

Art. 6.

For the purpose of maintaining public order or for security, the Governor-General Viceroy may by authorization of the Minister of the Colonies institute special tribunals with jurisdiction over the entire territory of Italian East Africa or part of that territory. He may also decree that certain crimes be judged by the special tribunals according to the regulations, the provisions of the Penal Code of the Army in time of war being applied in such cases.

Art. 7.

The Governor-General Viceroy directly controls a Vice Governor-General and a Chief of Staff.

The Vice Governor-General is appointed by Royal Decree by recommendation of the Minister of the Colonies and with the approval of the Council of Ministers. He is selected from colonial officials of Grade II, Government List. He ranks immediately after the Governor-General.

The Chief of Staff is appointed by Royal Decree by recommendation of the Minister of the Colonies and the Minister of War.

Art. 8.

The Governor-General Viceroy also controls a Cabinet presided over by a colonial official and composed of officials and employees of the colonial lists and officers of the Armed Forces.

The Governor-General Viceroy may also form a secretarial office to handle his personal correspondence and administrate the Viceregal Residence.

The organization of the Cabinet and private secretarial office is set forth in the political-administrative regulation.

Art. 9.

In case of vacancy, absence or incapacity in the office of Governor-General Viceroy the Vice Governor-General will discharge the duties of the office.

In case of vacancy, absence or incapacity in the office of Vice Governor-General, the Minister of the Colonies appoints a substitute.

Art. 10.

The Vice Governor-General cooperates with the Governor-General Viceroy and supervises all civil and political services of Italian East Africa.

Superior Directorates of the Government coordinate all services of Italian East Africa.

Each Directory is presided over by a Superior Director appointed by decree of the Governor-General Viceroy, and selected among colonial officials of grades V and VI of the government list.

The attributes of the Superior Directories are established by the political-administration regulation.

Art. 11.

A Governor is at the head of each of the five Governorships into which Italian East Africa is divided.

The Governors (Grade II, colonial list) are appointed by Royal Decree by recommendation of the Minister of the Colonies, and upon approval of the Council of Ministers.

The Governor of Addis Abeba is appointed by Royal Decree by recommendation of the Minister of the Colonies, upon approval of the Council of Ministers, and is selected from grades IV colonial officials.

Art. 12.

The Governors are controlled by the Governor-General Viceroy. They apply the political, administrative and military instructions they receive from the Minister of the Colonies through the Viceroy. They correspond directly with the Minister of the Colonies in matters pertaining to the routine affairs of government.

Art. 13.

The Governors direct the political affairs and administration of the territory under their control according to the instructions of the Governor-General Viceroy. They provide for the security, public order and operation of all offices and service and coordinate the activity of same. They provide for the publication and execution of laws and regulations. They supervise public organizations and may select the administrative personnel of same. They control the Armed Forces stationed in their territory and territorial waters and supervise their organization, control, administration and employment.

In the territory of the Governorship of Addis Abeba the powers indicated in the preceding paragraph are exercised by the Viceroy.

Art. 14.

The Governors may constitute a private secretarial office to handle their private and official correspondence. The organic composition of the secretarial office is established by the political-administration regulation.

Art. 15.

Each Governor has under his immediate control a Secretary General and a Commander of Troops.

In case of vacancy, absence or incapacity of the Governor, the office is filled by the Secretary General.

In case of vacancy, absence or incapacity of the Secretary General, the Governor General Viceroy selects a Governor substitute.

Art. 16.

The Secretary General is appointed by Royal Decree by recommendation of the Minister of the Colonies, upon approval of the Council of Ministers and is selected among Grade III and Grade IV colonial officials.

The Secretary General ranks immediately after the Governor. He cooperates with the Governor in the exercise of all his duties and supervises all civil and political services of the government according to instructions from the Governor.

Art. 17.

The commander of troops is appointed by Royal Decree upon recommendation of the Minister of the Colonies and the Minister of War, and upon approval of the Governor-General Viceroy.

He is the Governor's counselor in military matters; handles questions pertaining to defense, proposes the adoption of legislative measures, and has other functions prescribed for him in the political-administrative regulations and the military regulations for Italian East Africa.

The Commander of Troops ranks immediately after the Secretary General.

Art. 18.

A government Directory handles the civil and political services of each Governorship. Each Directory is presided over by a Director appointed by decree of the Governor-General Viceroy and selected among Grade V or VI colonial officials.

The number, attributes and sub-divisions of governmental sections are established in the political-administrative regulations.

Art. 19.

The territory of each Governorship is divided into Commissariats according to the division established by decree of the Governor-General Viceroy within the limits shown in the colonial personnel lists.

The Commissariats may be sub-divided into Residences and Residences into Vice-Residences according to the division set forth by decree of the Governor.

The Commissaries, Residents and Vice-residents are appointed by decree of the Governor and selected among colonial officials of the government list; their duties are set forth in the political-administrative regulations.

Art. 20.

The chief towns of Commissariats with populations over 10,000 inhabitants and the chief towns of Governorships may have municipal administration.

Municipal administration is instituted by decree of the Governor-General Viceroy who establishes the territorial boundaries of same.

Each municipal administration has juridical personnel and is presided over by a mayor (podestà) appointed by the Governor and usually selected among colonial officials.

Art. 21.

The Governor General Viceroy and the Governors cannot correspond with the State Administrations except through or by authorization of the Minister of the Colonies.

The Minister of the Colonies, in accord with the Minister for Foreign Affairs, may authorize the Governor-General Viceroy and the Governors to correspond directly with the representatives of Italy abroad and with foreign authorities.

Civil and military officials may not hold service relations with any administration, office, organization or person situated without the territory of the governorship unless through or by direct authority of the Governor.

Art. 22.

Attached to the General Government is a General Council presided over by the Governor-General Viceroy and composed of:

- Vice Governor-General;
- Governors;
- Governor of Addis Ababa;
- Chief of Staff;
- Highest ranking magistrate of the Comptroller's Office;
- Superior Directors of the General Government
- Highest ranking officer of the Navy, of the Air Force and of the Fascist Militia in Italian East Africa;
- Highest ranking court magistrate and representative of the Public Attorney;
- Highest ranking officials of each of the technical services of Italian East Africa;
- General Secretary of the Fascist Party of the capital of Italian East Africa;
- Chief Comptroller of the General Government.

By delegation of the Governor-General Viceroy, the General Council may be presided over by the Vice Governor-General.

The officials assigned to the various services of the General Government may be called upon by the Governor-General Viceroy to take part in the Council with consultative vote whenever matters of their competency are being discussed.

Art. 23.

The General Council must pass upon :

- a) regulation schemes issued by the Governor-General Viceroy;
- b) estimated and final budgets for Italian East Africa;
- c) annual operation schedules of public works and plans of a general nature;
- d) general problems pertaining to the agricultural, economical and industrial development of the country;
- e) the levying of taxes;
- f) matters where Council approval is prescribed by regulation.

When he believes advisable, the Governor-General Viceroy may submit to the General Council matters not included in the above classification.

When absolute urgency is necessary the Governor-General Viceroy may make provisions without hearing the opinion of the General Council but must communicate such provisions to the General Council during its subsequent meeting.

In such cases the Governor-General Viceroy will inform the Ministry of Colonies which will in turn inform the Ministry of Finance in order that the adopted measure may have financial execution.

Copies of the reports on General Council sittings are forwarded to the Ministry of Colonies.

The functioning of the General Council is regulated in the political-administrative regulations.

Art. 24.

A Consulta (advisory board) for Italian East Africa is instituted.

The Consulta is presided over by the Governor-General Viceroy and is composed of:

- members of the General Council;
- general secretaries of the governorships;
- troop commanders of the governorships;
- federal secretaries of the Fascist Party in Italian East Africa;
- six Italian citizens appointed for two years by decree of the Governor-General Viceroy and picked among producers and workers of Italian East Africa;
- six chiefs or notables appointed for two years by decree of the Governor-General Viceroy and picked among subjects of Italian East Africa;

The Governor-General Viceroy submits to the Consulta economic and cultural programs concerning subjects of Italian East Africa in particular, and provisions in anyway related to the social and ethnical welfare of the population of Italian East Africa and its traditions as well as any provision which he considers should be examined by the Consulta.

The Consulta must be convened in ordinary session at least once annually.

Art. 25.

Each governorship has a permanent council presided over by the Governor and composed of:

- secretary general of the governorship;
- troop commander;
- highest ranking magistrate of the Comptroller's Office;
- federal secretary of the Fascist Party;
- directors of the governorship;
- highest ranking court magistrate and representative of the Public Attorney;
- chief of the Comptroller's Office of the governorship.

By decree of the Governor-General Viceroy other members both Italian citizens and subjects may be called upon to take part in the Council according to the procedure set forth in the political-administrative regulations.

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Art. 26.

The Council must be heard :

- a) on regulation schemes issued by the Governor;
- b) on estimated and final budgets;
- c) all other cases prescribed by special regulation.

When he believes advisable, the Governor may submit for Council examination matters not included in the above classification.

Whenever absolute urgency is necessary, the Governor may make provisions without hearing the opinion of the Council but must communicate such provisions at the next meeting of the Council.

In such cases the Governor must inform the Governor-General Viceroy of the provisions adopted for transmittal to the Ministry of Colonies and to the Ministry of Finance for financial execution.

The functioning of the Council is set forth in the political-administrative regulations.

Art. 27.

If the General Council, the Consulta or the Governorship Council has been consulted on a provision, this fact will be indicated in the preface of the written provision.

PART II.

Status of Subjects.

Art. 28.

The following are subjects of Italian East Africa:

- a) All individuals residing in Italian East Africa who are not Italian citizens or citizens or subjects of other countries;
- b) Those born of a father who is a subject, or if the father is unknown, of a mother who is a subject ;
- c) Those born in the territory of East Africa when both parents are unknown;
- d) Those born of a woman married to a subject;
- e) Individuals belonging to an African or Asiatic population who render civil or military service with a public administration in East Africa or have already rendered such service and are residents of East Africa.

The Minister of Colonies may acknowledge as subjects of Italian East Africa persons belonging to immigrant populations providing such populations have established their residence in Italian East Africa and providing there are no international accords interdicting such acknowledgment.

Persons born abroad in Africa or Asia who have resided in Italian East Africa at least two years and who are not Italian citizens or citizens of any other nation may volunteer to become subjects of Italian East Africa. The status of subject is in such

cases conferred by decree of the Governor-General Viceroy.

Art. 29.

Subjects of Italian East Africa may not acquire foreign citizenship or status of foreign subjects unless they have established domicile abroad at least one year before and unless so authorized by decree of the Minister of Colonies.

Art. 30.

Offspring born in the territory of East Africa of unknown parents whose physiological features indicate that both parents were white are declared Italian citizens.

In such cases citizenship is conferred by a competent magistrate who after making the inquiry authorizes the registration of the citizen. The inquiry of the magistrate may be effected by request or by authority.

The civil registration officer who receives notice of a parentless child will request the judicial authorities to carry out the necessary inquiry if any doubt exists as to color or race.

Art. 31.

Absolute respect of religions is guaranteed in Italian East Africa.

The religious institutions of Christian Monophysites will be regulated by special laws and accords with ecclesiastic hierarchies.

Musulmen may resume their workshop over the entire territory of Italian East Africa, renew their ancient institutions and religious schools. Controversies between Mussulman subjects will be judged by the Qadi [chief judge or magistrate of the Arabs] according to Islamic law and the local customs of the Mussulman populations.

Local traditions will be respected in so far as they do not run counter to the system of public order and general principal of civilization.

Art. 32.

Official documents which must by law be written in the languages spoken by subjects of Italian East Africa will be compiled in the following languages:

in the governorship of Eritrea:	in Tigre and Arabic;
"	Amara: in Amario;
"	Addis Abeba: in Amario;
"	Harar: in Arabic;
"	Galla and Sidama: in Arabic;
"	Italian Somaliland: in Arabic.

The teaching of local languages covers the following:

in the territory of Eritrea:	Tigre;
"	Amara: Amario;
"	Addis Abeba: Amario and Galla
"	Harar: Harari and Galla;
"	Galla and Sidama: Galla and Caffin
"	Italian Somaliland: Somali.

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The teaching of Arabic is obligatory in schools for subjects throughout the Mussulman territory of Italian East Africa.

The Governor-General by decree may authorize the teaching in some regions of the territory of a language not included in the above list.

Art. 33.

The subjects of Italian East Africa may choose, except in questions regarding personal or family status, to be included in the jurisdictions established for Italian citizens instead of those intended especially for subjects. In such cases they will be subject to Italian laws as applied in Italian East Africa. However the juridical relations between subjects and the community will be regulated either by the ancient law (of Abyssinia) or by the new penal and civil codes (of Italy) according to the nature of the relation.

PART III

Financial administration.

Art. 34.

The Governor-General Viceroy prepares the estimated budget of Italian East Africa and presents it to the Ministry of the Colonies which turns it over to the Ministry of Finance not later than the month of January of each year. In case of delay in presenting the budget, the Minister of the Colonies may prepare the budget by authority.

The fiscal year begins July 1st and ends June 30th of the following year.

The receipts for the entire territory of Italian East Africa must be included in a single estimated budget; expenditures for each heading and category of the budget will be classified in "expenses for central offices of the General Government", "expenses for general services in Italian East Africa" and "appropriations for each governorship".

The receipts and expenditures for construction and operation of railways will be carried on a separate budget, attached to the budget of Italian East Africa.

Art. 35.

The estimated budget of Italian East Africa will be presented for parliamentary approval as an inclosure to the estimated budget of the Ministry of the Colonies for mutual conversion into law.

Art. 36.

Public funds are administered under the personal responsibility of the Governor-General Viceroy and of the individual Governors for appropriations assigned to their administration.

The estimated budget of the Italian East Africa will contain an attached table classifying the items of the general budget and of the special budgets as follows:

MILITARY ATTACHE
American Embassy
ROME, ITALY
11.

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- a) those to which funds may not be transferred;
- b) those from which funds may not be transferred.

Budgetary provisions which during the course of the fiscal year create new items of expenditures must also specify the variations or changes that should be made on corresponding items of the table indicate above.

The Governor-General Viceroy may effect transfers of funds affecting items of the budget not included in the above table. The authorization of the Minister of Colonies and Minister of Finance is however necessary in cases of:

- a) transfers of funds from the civil services to the military;
- b) transfers of funds from the ordinary to the extraordinary parts of the budget or viceversa.

Art. 37.

The budgetary receipts of Italian East Africa derive from receipts proper and State contributions.

Art. 38.

The following are receipts proper:

- a) Income from State property and public domain and income from concessions of all kinds;
- b) Proceeds from alienations of real estate and personal property of any kind;
- c) Revenue and taxes;
- d) All other income, proceeds and returns.

Art. 39.

Royal Decrees issued by authority of Art. 55 will establish revenue and taxes and tributes of a general character that the Governor-General Viceroy will levy on all territory of Italian East Africa and local tributes that the Governors may levy over the territory of their administration.

Revenue and taxes of all kinds are accredited to the budget of Italian East Africa in so far as they are levied on the contributors' productive activities and personal wealth in Italian East Africa.

Art. 40.

Residue funds ascertained at the closing of the fiscal year revert to a reserve fund. This reserve fund will be used for:

- a) Extraordinary expenditures for public property;
- b) Works of public utility.

Art. 41.

Extraordinary expenses which cannot be defrayed by the receipts indicated in Art. 37 will be paid from:

1. Drafts on the reserve fund in the cases indicated in the preceding article;

2. Extraordinary allotments by the State to be authorized by a special law which will determine the purpose for which the allotments are made.

Art. 42.

The final budget is prepared by the Governor-General Viceroy in the same form as the estimated budget and is forwarded to the Ministry of Finance through the Ministry of the Colonies not later than six months after the end of the fiscal year.

The final budget accompanied by the deliberations of the Comptroller's Office is submitted for parliamentary approval. The public property budget is also presented together with the final budget.

Art. 43.

The Minister of Colonies and the Governor-General Viceroy may order inspections and checks on any office and service in Italian East Africa.

The Minister of Finance together with the Minister of Colonies may do likewise as regards finance and accounting offices.

A general administrative and accounting inspection will be ordered at least three times a year.

Inspections on local establishments are ordered by the Governor.

Art. 44.

The General Government and each Governorship has an Accounting Office which controls the property and budget administration according to the administrative-accounting regulations. The Accounting Office keeps accounts of receipts and expenditures, checks receipts, controls expenditures, verifies accounts and supervises the work of pay masters, depot clerks and inventory clerks.

The General Government accounting office besides administering accounts for the General Government :

a) coordinates the operation of the accounting offices of dependent Governorships according to the rules and instructions issued by the central authorities;

b) sums up the results of receipts and expenditures both in periodic accounting and for the final accounting statement.

Art. 45.

The provisions of Royal Decree July 12, 1934 No. 1214 on the organization of the Comptroller's Office are extended to Italian East Africa on the date the present decree becomes effective.

Modifications to this organization that should become necessary as well as supplementary executive orders will be issued by Royal Decree upon proposal of the Head of the Government Prime Minister Secretary of State together with the Minister Secretary of State for the Colonies and Minister Secretary of State for Finance after hearing the opinion of the Comptroller's Office.

PART IV.

The Administration of Justice.

Art. 46.

Administration of justice is entrusted to:

- a) the ordinary and military magistracy;
- b) political-administrative officials;
- c) Cadi and local chieftains.

The said magistrates and officials may be assisted by assistants selected among citizens and subjects.

Art. 47.

The rules for the administration of justice and for the constitution and functioning of administrative organs are set forth in the judicial regulations and supplements thereto.

The territorial jurisdiction is determined by decree of the Governor-General Viceroy.

Art. 48.

Governors and civil and military officials with governmental functions may not be called upon to give an account of their functions unless by superior authority, nor can they be subjected to penal procedure or arrest, except in flagrant cases without the authorization of the Minister of Colonies when an official not inferior to the fourth grade is involved or by the Governor-General Viceroy in the case of other officials.

The Governor-General Viceroy immediately informs the Ministry of Colonies of requests received from the judicial authorities and answers to same.

Art. 49.

Chiefs and notables appointed by Governor's decree among the subjects of Italian East Africa may not be subjected to penal procedure or arrest, except in flagrant cases, without previous authorization of the Governor.

The Governor-General Viceroy, by his decree, will determine to what categories of civilian personnel composed of subjects of Italian East Africa this guaranty will be granted.

Art. 50.

The law of their religion, town or race is applied to subjects according to the procedure set forth in the judicial regulations.

When a person found guilty is a subject, the judicial authorities in applying the penal provisions of the codes or any other law or regulation may inflict punishments that are less severe than the minimum prescribed.

Art. 51.

The Governor may suspend the execution of punishments commuted by the judicial authorities in his territorial administration in case the condemned has obtained pardon.

The Governor may condone fines inflicted against ethnic groups or individual subjects except those arising from breach of contract and customs infractions.

Art. 52.

All controversies that do not involve civil and political rights but concern monetary interests between individuals and the public administration are turned over to the Governor for settlement in conformance with Art. 3 of the Law of March 20, 1865, No. 2249, Inclosure E.

Against such provisions of the Governor as are not final by virtue of existing laws and regulations, appeal may be made through channels to the Minister of Colonies who passes on the matter after hearing the Superior Colonial Council. The appeal is forwarded to the Minister through the Governor-General Viceroy.

Against the final provisions of the Governor and Minister of Colonies appeal may be made for incompetence, abuse of power and infraction of the law through the juridical authorities to the Council of State or in exceptional circumstances through the King, according to the law on the Council of State.

PART V.

Juridical regulations.

Art. 53.

The Civil, Commercial and Penal Codes, Civil and Penal Codes of Procedure, Penal Code of the Army, Military Maritime Penal Code, including provisions amendatory thereto, and the Code for the Merchant Marine of Libya will be applicable to Italian East Africa and must be observed in so far as local conditions will allow except for changes set forth in special regulations.

Likewise and within the same conditions, applicability to Italian East Africa is extended to future legislative amendments to the said Codes.

Art. 54.

Laws and regulations on civil status effective in the Kingdom are extended to Italian East Africa and are applicable for citizens.

Subjects may request the inscription of personal acts or deeds in the civil status records but such inscription does not constitute proof of their having acquired Italian citizenship.

Art. 55.

Provisions for Italian East Africa having the force of law will be issued by Royal Decree by proposal of the Minister of Colonies after hearing the opinion of the Superior Colonial Council and obtaining the approval of the Council of Ministers providing they do not concern the personal and family status of Italian citizens. In the same way, laws, decrees, and regulations effective in the

Kingdom will be extended to apply in Italian East Africa.

When financial provisions are involved, the Royal Decree must be approved by the Minister of Finance.

Art. 56.

Regulations for the application of provisions having the force of law are issued by the Minister of Colonies after having heard the opinion of the Superior Colonial Council. This power may devolve upon the Governor-General Viceroy. When the regulations involve financial matters, ministerial order must be promulgated with the approval of the Minister of Finance.

All other regulations will be issued by the respective Governors.

If grave and urgent reasons require, the Governor General Viceroy may issue orders exceeding the provisions of the regulations in which case he will give immediate notice of same to the Minister of Colonies who will in turn notify the Minister of Finance if financial matters are involved.

Art. 57.

Municipal regulations and those concerning city services are issued by the chiefs of municipal administrations or by officials of the municipal services with the approval of the Governors.

Art. 58.

For infractions of the provisions of Art. 56, second and third paragraphs and Art. 57, the authorities who promulgate the orders may provide punishments of one month imprisonment or a fine of up to 500 lire whenever Art. 650 of the Penal Code is not applicable.

Art. 59.

The Governor-General Viceroy may annul by his decree all regulations, decrees and orders issued by Governors after hearing the General Council.

Regulations, decrees and orders issued by the Governor General Viceroy may be annulled by Royal Decree upon proposal of the Minister of Colonies, after hearing the Superior Colonial Council and with the approval of the Council of Ministers.

Art. 60.

Laws, decrees and regulations are published in Addis Ababa and in the territory of the Governorship in which they are to be applied.

Announcement of complementary and amendatory codes and laws is effected by depositing the Italian text in the offices of the General Government, the Governorship offices and the chanceries of tribunals and publishing same in the official journal of the General Government and the Official Bulletin of each Governorship in Italian and the local language. Other laws, decrees and regulations are announced by publishing in the said journal and bulletins in the Italian language and in the native languages as indicated in Art. 32.

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Art. 61.

Laws, decrees and regulations are effective 30 days after publication unless otherwise indicated in the texts of the laws, decrees and regulations. The 30 day time limit is based on the date of publication in the official journals of the General Government as regards Addis Ababa and for other territories, on the date of publication in the official bulletins of Governorships.

Art. 62.

The Governor-General Viceroy may order that laws, decrees and regulations be brought to the notice of native populations by public poster or any other effective means of dissemination. Announcement by public poster is compulsory in the case of penal regulations or those pertaining to landed property.

PART VI.

Transitory Dispositions.

Art. 63.

As far as permitted by local conditions, the laws, decrees and regulations issued for Eritrea and extended to the territories of the Galla-Sidama and Harar Governorships and those issued for Italian Somaliland or extended to apply to Italian Somaliland, are made applicable to the territories of the Amara and Addis Ababa Governorships providing the matter in question is not regulated by special provisions and that such laws, decrees and regulations do not conflict with these presents.

Art. 64.

The codes, laws, decrees and regulations whose applicability has been extended by these presents will become effective, without special publication, on the same date as the present decree.

Art. 65.

Law No. 999, July 6, 1933, Law No. 146, January 26, 1934, Royal Decree No. 42, January 17, 1935 (converted to Law No. 785, April 11, 1935) are abrogated as well as any other contrary disposition.

Art. 66.

The present decree becomes effective June 1, 1936 and will be presented to Parliament for conversion into law.

The proposing Minister is authorized to present the bill to Parliament.

To order that the present decree, with State seal, be inserted in the official records of laws and decrees of the Kingdom

A-2 Report

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of Italy ordering all concerned to observe its provisions and to cause same to be observed.

Rome, June 1, 1936.

Signed: MUSSOLINI - DI REVEL.

Norman E. Ficks,
Major, Cav., U.S.A.,
Assistant Military Attaché.

Sources : Pamphlet of the Ministry of the Colonies :
"Ordinamento e amministrazione dell'Africa
rientale Italiana", 1936.

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DOCUMENT FILE

NOTE

SEE 741.65/91 FOR Tel. 228- 4pm

FROM Italy (Phillips) DATED May 14, 1937
TO NAME 1-1127 878

REGARDING: Recognition of Ethiopia. Statement of Count Ciano that it was important not because the Italians cared for the mere formality of recognition but because British persistence in their present attitude gave unfriendly elements in Ethiopia and the impression that Italians were not established there.

fp

8650.01/282

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DOCUMENT FILE

NOTE

SEE 701.5671/2 FOR Despatch #332

FROM Rumania (Harrison) DATED April 28, 1937
TO NAME 1-1137 876

REGARDING:

Terms of address to be used in letter of credence of Netherland Minister to Italy, Mr. Jan Hubrecht:

Dr. Hubrecht has been delayed in proceeding to his new post because Dutch and Italian Governments were unagreed as to - ; question not yet resolved.

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DOCUMENT FILE

NOTE

SEE 783.003/252 FOR despatch #-

FROM Capitulatory Conference (Fish) DATED May 12, 1937
TO (Egypt) NAME 1-1127

REGARDING:

Use by Italy of title "King of Italy, Emperor of Ethiopia", in preamble to Egyptian Capitulatory Convention.

quotes statements, as recorded in minutes of the Conference, of Mr. Politis, Chairman of the Drafting Committee, concerning responsibility of each delegation for title furnished. Opinion that signature of Convention has absolutely no relation to the question of the recognition of Italian sovereignty over Ethiopia.

865D.01 / 284

GMB

DOCUMENT FILE

NOTE

SEE 740.0011 Mutual Guarantee/903 FOR Tel 41- 6pm
(Locarno)

FROM Belgium (Sussdorff) DATED May 22, 1937
TO NAME 1-1137 676

REGARDING: Recognition of Italian sovereignty over Ethiopia. Different solutions to question of,- discussed during visit of French Foreign Minister to Brussels but no decisions were reached.

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280



DIVISION OF
TRADE AGREEMENTS
TA
JUL 31 1937
DEPARTMENT OF STATE

EMBASSY OF THE
UNITED STATES OF AMERICA

ROME, May 20, 1937

LEGAL ADVISER
DEPARTMENT OF STATE

No. 371

Subject: Italian Administration and Development of
Ethiopia.

DIVISION OF
TRADE AGREEMENTS
TA
JUL 31 1937
DEPARTMENT OF STATE

OFFICE OF ECONOMIC ADVISER
JUN 12 1937
DEPARTMENT OF STATE

DIVISION OF WESTERN
EUROPEAN AFFAIRS
JUN 3 1937
DEPARTMENT OF STATE

See
Enclosure
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OF
JUN 3 1937

See Marshall's report
the

The Honorable
A/C
RECORDING DESK
FILE - WMB
The Secretary of State,
Washington.

DEPARTMENT OF STATE
JUN 10 1937
DIVISION OF
NEAR EASTERN AFFAIRS

Sir:

In continuation of the Embassy's despatch No. 336
of April 25, 1937, regarding the Italian Administration
and development of Ethiopia, I have the honor to submit
below a digest of the available information which has
been published here since April 25th with respect to
Italian action and plans for the government and exploi-
tation of the conquered territory.

Military and Political.

The first anniversary of the conquest of Ethiopia
was celebrated throughout Italy and Ethiopia on May 8th,
9th, and 10th (Embassy's despatch No. 360 of May 12, 1937).

No military or political news of importance has
been

865D.01/286

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been published recently except the capture and execution at Uondié on May 7th of the cagasmac Babil Desta, alleged by the Italian press to be one of the persons responsible for the killing of the workmen of the Gonrand firm on February 13, 1936 (Embassy's despatch No. 1618 of April 2, 1936)

An official communiqué published on May 11th announces that from April 1st to April 30th one officer and one Black Shirt were killed and one officer and one sergeant died of wounds during "police operations" in Ethiopia. During the same period 13 officers, 2 non-commissioned officers, 23 soldiers, and 20 Black Shirts, died of diseases and accidents.

A report published in the DAILY EXPRESS, London, on May 3rd to the effect that three Italian emissaries had gone to Jerusalem to offer the Ethiopian throne to the eldest son of the Negus, was denied in strong terms by the Italian press.

Concise On May 9th, the STAMPA published a despatch from Paris, stating that, owing to the unsuitable climate of Addis Ababa, the Ethiopian capital would probably be transferred to Dessié, and expressing alarm over the consequences of such a move to the Addis Ababa-Djibouti railway. The TEMPS connected this proposal with the project of making Assab the leading port of Italian East Africa and observed that work on this project had already commenced (Embassy's despatch No. 105, December 2, 1936).

THE LANCET of May 13th declared that no decision had yet been made of a site for the new capital of the Ethiopian Empire. The prevalent idea, it asserted, was to found an entirely new capital, leaving Addis Ababa

its present character as an important native center, and leading market city in view of its connection with the railway. The altitude of almost 3,000 meters, the article continued, was difficult for Europeans. The newspaper went on to assure those who had investments in Addis Ababa that they would not suffer from the transfer of the capital, since the city would continue to be a highly important center. Among possible choices for the new capital, the GAZZETTA DEL POPOLO mentioned the Gimma territory, Harrar, and Dessié. The TRIBUNA, on the other hand, on May 18th flatly denied that the Government intends to move the capital from Addis Ababa.

A news despatch under Addis Ababa date line of May 19th states that the first census of the white population of the Ethiopian capital has given the following results: Italian males 4,526, females 447; total 4,973. Foreign males 1,058, females 716; total 1,773. The total white population residing in Addis Ababa is 6,747 persons.

Industrial and Economic Development.

The press reports that during the first three months of 1937, Ethiopia purchased merchandise to the value of 69,200,000 lire from Italy and sold products valued at 6,600,000 lire to the mother country. According to the "Agenzia d'Italia e dell'Impero", the chief Italian exports to Ethiopia were cotton textiles, 12.6 millions; tobacco, over 8 millions; machinery, 5.4 millions; automobiles, 5.1 millions; wines, 3.5 millions; iron and steel, 2.7 millions; cotton thread, 2.7 millions; utensils, 2.9 millions; olive oil, 1.7 millions, and sugar, 1 million lire.

Under Rome date line of May 14th, the press

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Bureau of the

Census

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announces that an autonomous Institute has been established for the construction of low-cost houses in Ethiopia. Its preliminary program calls for the construction of 1,500 such houses in the principal cities, and for this purpose it has been determined that financing of 75 million lire will be necessary.

A scientific mission organized by the Center for Italian East African Studies and sent to Ethiopia in the beginning of January has recently returned to Italy. It is reported that this mission, composed of eleven experts in different branches of science, made an exhaustive study of the inhabitants, the flora, fauna, and the geology of the Lake Tana region. A large number of fossils and stuffed birds and animals were brought back for an Ethiopian museum, which is to be founded in Italy. The Center for Italian East African Studies expects to send a mission each year to the conquered territory.

FINANCE

Expenditures on Italian East Africa.

5.51
The Minister of Finance in an interview published in the POPOLO D'ITALIA on May 19th, declared that expenditures on Italian East Africa amounted to 975 million lire during the fiscal year 1934-35 and to 11,136 millions during 1935-36, increasing the deficit to 12,686 millions. He went on to say, however, "that more than half of the expenditures of an extraordinary character made on East Africa were covered by extraordinary means, applied during the fiscal year in question and entered in the budget under the item concerning movements of capital, so that the total deficit of the budget amounts to 6,121 millions, which may also be considered fully covered by other
extraordinary..

extraordinary revenue provided for this purpose, which will flow in during the current fiscal year. The extraordinary revenues procured for the special requirements of East Africa amount to about 17 billion lire. They have been obtained as follows:

(a) From the issue of the 5% Loan authorized by Royal Decree-law No. 1684 of September 20, 1935, with subscriptions either in cash or in bonds of the 5% Redeemable Loan with the addition of 15 lire for each 100 lire face value (Embassy's despatch No. 1335 of October 3, 1935);

(b) From the issue of nine-year 5% Treasury certificates, 1944, created by Royal Decree-law No. 1614 of August 28, 1935, for the exchange of foreign securities and Italian securities issued abroad, the proceeds of which likewise went into the budget (Embassy's despatch No. 1319 of September 20, 1935);

(c) From the new 5% Redeemable Loan, issued under Royal Decree-law No. 1743 of October 5, 1936, through which 7 billions have already been assured and which may approach 8 billions." (Embassy's despatch No. 50, October 23, 1936).

"Empire Coins"

Gold, silver, and bronze "Empire" coins were authorized by Ministerial Decrees No. 2510 and No. 2511, published in the OFFICIAL GAZETTE of May 8, 1937. The silver and bronze coins will replace those now in circulation (Embassy's despatch No. 357 of May 11, 1937).

Bank of Ethiopia.

With reference to the Embassy's despatch No. 72 of November 12, 1936, regarding the liquidation of the Bank of Ethiopia, I have the honor to report that the

press..

press on May 12th published the judgment of the High Court at London to the effect that the Bank of Ethiopia is in liquidation and the Italian liquidator has full juridical authority. Articles on the case, published in THE TIMES, London, on April 30th, May 1st, and May 12th, are transmitted herewith.

Agriculture.

According to the press, a trip of investigation in Italian Africa, lasting over two months and covering about nine thousand kilometers, was made by a group of farmers, organized by the Fascist Confederation of Farmers under the auspices of the Ministry of Italian Africa. The purpose of the trip was to induce the farmers to select land for cultivation and settle in the conquered territory, and, it is reported, almost all of them consented to remain in Ethiopia.

The press reports that in order to encourage the increased cultivation of wheat, the Fascist Federation of Galla and Sidamo, under the auspices of the Governor, has instituted the "First Competition of the Wheat Patrols." In the neighborhood of each garrison and workmen's camp, land will be allotted for the cultivation of wheat by "patrols" composed of from three to five Italians, who may later be assisted by natives. Crops will be shared by the workmen and the Government, and prizes will be awarded to the "patrols" obtaining the best results. Only land not already under cultivation may be used, and it is estimated that production by the "patrols" will satisfy more than one half the needs of the Italian population.

Railways

Beginning

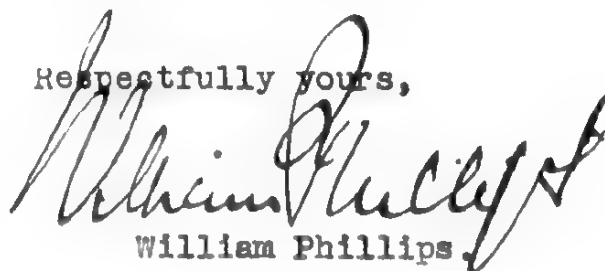
Beginning on May 2nd, the time of the trip by train between Addis Ababa and Djibouti, which formerly took three days, was reduced to two days. In addition, there is a special train weekly which makes the journey in only 26 hours.

Cranborne

Foreign Interests.

With reference to the expulsion of several foreign businessmen from Ethiopia (Embassy's despatch No. 801 of April 1, 1937), the press reported under London date line that on April 26th Lord Cranborne informed the House of Commons that "the Italian Government, after cordial conversations with the British Ambassador at Rome, has agreed to concede a certain liberty of action to the firm of Mohamed Aly with regard to negotiations for the sale of its business in Addis Ababa. The Government at Rome has fixed the limits of time allowed for these negotiations and has requested the firm to furnish a list of the persons entrusted with continuing them. The Italian Government has also agreed to extend the time for the complete evacuation of the personnel of the firm of Aly until May 31st."

Respectfully yours,


William Phillips

Enclosures: 

Extracts from
THE TIMES, London.

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(TIMES, April 30, 1937, London.)

High Court of Justice

Chancery Division

Bank of Ethiopia: The Italian
Occupation

Bank of Ethiopia v. National
Bank of Egypt and Liguori

(Before Mr. Justice Clauson)

His Lordship began the hearing of an issue which had been directed to be tried in this action in which the Bank of Ethiopia, a foreign corporation incorporated according to the laws of Ethiopia, with its principal place of business at Addis Ababa, claims against the National Bank of Egypt, of King William Street, London, and Mr. Wladimiro Liguori, of the Bank of Ethiopia, and of the Banca d'Italia, Addis Ababa, an account of all moneys and securities received or held by the defendant bank for the account of the plaintiff bank and payment of the amount round due on the taking of the account, and an order to the defendant bank to transfer to the plaintiff bank or as it should direct all securities held by the defendant bank for the account of the plaintiff bank. The issue before the Court is whether the Bank of Ethiopia has been dissolved, or has otherwise ceased to exist, or, if it has not ceased to exist, whether it has authorized the action to be brought.

Mr. Wynn Parry, K.C., and Mr. V. R. Idelson appeared for the National Bank of Egypt as plaintiffs in the issue; Sir William Jowitt, K.C. and Mr. Andrew Clark for the Bank of Ethiopia as defendants in the issue; and Mr. Lionel Cohen,

K.C. ...

K.C., Mr. J. Forster, and Mr. Rafael Valls for Mr. Liguori as a defendant in the issue.

Mr. Wynn Parry said that the case was to some extent a test case, as other claims were pending. The National Bank of Egypt was the European correspondent of the Bank of Ethiopia. The National Bank of Egypt claimed no beneficial interest in the funds in dispute. They admitted that they held substantial funds and securities to the order of the Bank of Ethiopia and would submit to such order as the Court thought fit to make. But to ensure that they paid the right person they had taken out a summons. The matter came before the Master last November, and by consent an order for the trial of the present issue was made. Last February Mr. Liguori who claimed to be liquidator of the Bank of Ethiopia, was joined as a defendant in the action.

"Situation Became Threatening"

On May 1, 1936, the Emperor of Abyssinia left Addis Ababa and had not returned to Abyssinia. On May 2 the Bank of Ethiopia opened for business as usual, but during the morning the situation became so threatening that the only woman member of the staff was taken to the British Legation, and the sub-governor of the bank and another employee decided to lock the doors of the bank and place the cash and securities in the strong room. After the Italian Army had entered Addis Ababa it was arranged that two officials of the bank should have charge of the cash and securities on their undertaking not to dispose of the bank's assets and not to conduct banking business. It appeared to have been the original Italian intention to carry on the bank in some form, but that intention was abandoned. In June the Banca d'Italia Commission arrived from

Rome, with the object of taking over all banking operations. A decree was made which had the effect of putting the Bank of Ethiopia into liquidation.

An application for certain information had been made to the Foreign Office and there had been received a certificate that the British Government had not recognized the Italian annexation of Ethiopia de jure, but that they now regarded the Italian Government as the Government de facto of the parts of Ethiopia which they controlled. The certificate added that, while detailed information was hard to obtain, such information as His Majesty's Government possessed tended to show that the Italian Government controlled the whole of Ethiopia with the exception of certain areas in the south and south-west of the country. He (counsel) submitted that for the present purpose there was no difference between de jure and de facto recognition, and when an act of State by a Government which had been recognized de facto had been proved, its validity could not be challenged. If the Court was satisfied that the decrees had had the effect, according to the Italian Commercial Code, of dissolving the Bank of Ethiopia, that was an end of the matter.

The hearing was adjourned.

Solicitors. --- Messrs. Norton, Rose, Greenwell and Co.; Messrs. Wordsworth, Marr, Johnson and Shaw; Messrs. Park, Nelson and Co.

(TIMES, May 1, London)

High Court of Justice

Chancery Division

Bank of Ethiopia: The Italian
Occupation

Bank of Ethiopia v. National
Bank of Egypt and Liguori

(Before Mr. Justice Clauson)

His Lordship continued the hearing of the issue which has been directed to be tried in this action in which the Bank of Ethiopia, a foreign corporation incorporated according to the laws of Ethiopia, with its principal place of business at Addis Ababa, claims against the National Bank of Egypt, of King William Street, London, and Mr. Wladimiro Liguori, of the Bank of Ethiopia, and of the Banca d'Italia, Addis Ababa, an account of all moneys and securities received or held by the defendant bank for the account of the plaintiff bank and payment of the amount found due on the taking of the account, and an order to the defendant bank to transfer to the plaintiff bank or as it should direct all securities held by the defendant bank for the account of the plaintiff bank. The issue before the Court is whether the Bank of Ethiopia has been dissolved, or has otherwise ceased to exist, or, if it has not ceased to exist, whether it has authorized the action to be brought.

Mr. Wynn Parry, K.C., and Mr. V. R. Idelson appeared for the National Bank of Egypt as plaintiffs in the issue; Sir William Jowitt, K.C., and Mr. Andrew Clark for the Bank of Ethiopia as defendants in the issue; and Mr. Lionel Cohen, K. C., Mr. J. Forster, and Mr. Rafael Valls for Mr. Liguori as a defendant in the issue. Mr. V. R. Idelson held

a watching brief for the Bank of India, Limited; and Mr. C. M. Picciotto held a watching brief for Mr. Ernest Wright.

Continuing his opening speech, Mr. Wynn Parry said that there was authority for the proposition that the English Courts would not inquire into the validity of acts by recognized foreign Governments in respect of properties in territories of those Governments. The Italian authorities had assumed sovereignty and they published a decree organizing and regulating the government of Ethiopia, and a decree which placed the Bank of Ethiopia in liquidation. He (counsel) submitted that there could be no doubt that Mr. Liguori had been recognized as liquidator of the Bank of Ethiopia by the competent Italian authorities. There were the strongest possible indications that the Bank of Ethiopia had ceased to exist as a company and that its business had been destroyed. It was impossible for the Bank of Ethiopia to function, or for its directors to function, and effectively to pass a resolution that the present action should be begun in the name of the bank.

Mr. Ernest Wright, who was a director and sub-governor of the Bank of Ethiopia at Addis Ababa, giving evidence, said that, when the Italian army entered the city in May last year, he was allowed to retain control of the bank's cash and securities for three weeks. The Banca d'Italia Commission then arrived and took over the bank's assets in Addis Ababa.

Dr. Francesco di Genaro, of the Procurator's Office in Rome, gave evidence through an interpreter. Answering Sir William Jowitt, in cross-examination, Dr. Genaro said that the royal decree of May 9, 1936, by which the King of
Italy

Italy assumed the title of Emperor of Ethiopia, was made under an article of January, 1926.

Sir William Jowitt asked if there was anything in the law to show that it applied to territory outside the Kingdom of Italy as existing when the law was passed. Dr. Genaro said that the law applied to all the territories which formed part of the Italian Sovereignty.

The hearing was adjourned until Tuesday.

Solicitors. --- Messrs. Norton, Rose, Greenwell and Co.; Messrs. Wordsworth, Marr, Johnson and Shaw, Messrs. Park, Nelson and Co., Messrs. Sanderson, Lee and Co.; Messrs. Mills, Lookyer, Church and Evill.

(TIMES, May 12, 1937, London)

High Court of Justice

Chancery Division.

Bank of Ethiopia Dissolved

Bank of Ethiopia v. National
Bank of Egypt and Liguori.

(Before Mr. Justice Clauson)

His Lordship delivered a reserved judgment in the issue which had been directed to be tried in this action in which the Bank of Ethiopia, a foreign corporation incorporated according to the laws of Ethiopia, with its principal place of business at Addis Ababa, claimed against the National Bank of Egypt, of King William Street, London, and Mr. Wladimiro Liguori, of the Bank of Ethiopia, and of the Banca d'Italia, Addis Ababa, an account of all moneys and securities received or held by the defendant bank for the account of the plaintiff bank and payment of the amount found due on the taking of the

account

account, and an order to the defendant bank to transfer to the plaintiff bank or as it should direct all securities held by the defendant bank for the account of the plaintiff bank. The issue before the Court was whether the Bank of Ethiopia was dissolved, or had otherwise ceased to exist, or, if it had not ceased to exist, whether it had authorized the action to be brought.

Mr. Wynn Parry, K.C., and Mr. V. R. Idelson appeared for the National Bank of Egypt as plaintiffs in the issue; Sir William Jowitt, K.C., and Mr. Andrew Clark for the Bank of Ethiopia as defendants in the issue; and Mr. Lionel Cohen, K.C., Mr. J. Forster, and Mr. Rafael Valls for Mr. Liguori as a defendant in the issue. Mr. V. R. Idelson held a watching brief for the Bank of India, Limited; and Mr. C. M. Picciotto held a watching brief for Mr. Ernest Wright.

Judgment

Mr. Justice Clauson, in giving judgment, said that last December the British Government had recognized the Italian Government as being in fact the Government of the area then under Italian control. The effect of the certificate issued by the Foreign Office was that he was bound to treat the acts of the Government which was so recognized as acts which could not be impugned on the ground that they were not the rightful but a usurping Government.

On June 20 a decree was made placing the Bank of Ethiopia in liquidation and appointing a liquidator. The effect of that decree, according to the law prevailing at the time in the area of Ethiopia controlled by the Italian Government, was to dissolve the Bank of Ethiopia except so far as it might be necessary to keep it on foot for the purposes of liquidation. The decree had the effect of putting an end

to the authority of any person, other than the liquidator or those acting under his authority, to represent, act for, or bind the bank.

He (his Lordship) was satisfied that if, today, the Courts of the de facto Government at Addis Ababa had before them the questions whether the Bank of Ethiopia had been dissolved and had ceased to exist, and whether anyone acting otherwise than under the authority of the liquidator could conduct litigation on behalf of the bank, the answer would be in the affirmative to the first question and in the negative to the second.

There had been produced in Court a decree made at Bath by the Emperor of Ethiopia, and it was suggested that that decree had altered the legal position with regard to meetings of directors of the Bank of Ethiopia. He (his Lordship) could not conceive any ground on which it could be seriously argued that the Court could pay any attention to the decree.

It had been argued that the present case was a novel one because there was a de facto Government and at the same time a Sovereign recognized as a de jure Monarch, and it had been suggested that it was open to the Court to depart from the duty of treating acts of the de facto Government with the respect due to the acts of a duly recognized foreign Sovereign State. It had been suggested that the validity of the acts could be tested by asking whether they were necessary to secure the safety of the occupying army. A de facto Government must necessarily make such provision as might be proper for regulating the concerns of the inhabitants, and could not confine itself to the protection of its military forces. In the action the

Bank of Ethiopia claimed the settlement of outstanding accounts between the Bank of Ethiopia and the Bank of Egypt. There was no dispute that those accounts must, as between the proper parties, be ultimately adjusted.

On the issues in the action, he (his Lordship) held that the Bank of Ethiopia had been dissolved and had ceased to exist, and that the action, having been brought otherwise than by or under the authority of the liquidator, had not been authorized by the Bank of Ethiopia.

Solicitors --- Messrs. Norton, Rose, Greenwell and Co.: Messrs. Wordsworth, Marr, Johnson and Shaw: Messrs. Park, Nelson and Co.; Messrs. Mills, Lockyer, Church and Evill.

DOCUMENT FILE

NOTE

865D.01/287

SEE 765.00/95 FOR # 374

FROM Italy (Phillips) DATED May 21, 1937.
TO NAME 1-1127 GPO

REGARDING: Recognition of the Italian Empire.

in a speech
Italian Minister for Foreign Affairs/to Chamber of Deputies
emphasised that - was neither asked or solicited.

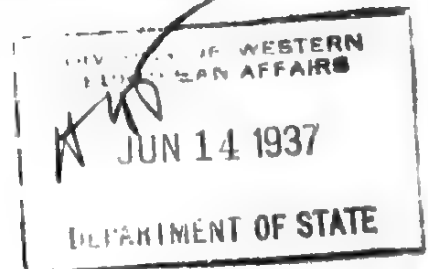
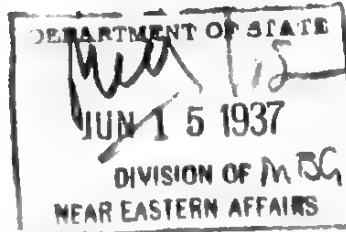


DIVISION OF
LEGATION OF THE
UNITED STATES OF AMERICA
DEPARTMENT OF STATE
Ciudad Trujillo, Santo Domingo, D. R.,

June 1, 1937.

No. 3891.

Subject: Postponement of Implied Recognition by
Dominican Government of the Italian An-
nexation of Ethiopia.



Distribution

Embassy Rome

CONFIDENTIAL.

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

Referring to the Legation's despatch No. 3724 of
January 13, 1937, reporting that Mr. Amadeo Barletta,
titular Italian Consul here, had been informed by the
Dominican Government that its Minister to Italy, Señor
Augusto Chottin, would be accredited to the King of Italy
and Emperor of Abyssinia, thereby implying recognition of
the Italian annexation of Ethiopia, I have the honor to
inform

Copy transmitted to
Commercial Office (A-O/O)
To Rome

6/11/37
Cn

865d.01/288

GDC

inform the Department that, in conversation today with Mr. Barletta, who is here in a brief visit, he informed me that despite the Dominican Government's promise, as above reported, the Dominican Minister to Italy had been accredited only to the King of Italy. He went on to say that because of this the Italian Government had refused to accept Minister Chottin's letters of credence until they were amended and addressed in accordance with the Dominican Government's oral agreement of January, last.

Meanwhile, Minister Chottin is residing in Paris and the information furnished by Mr. Barletta explains the reason why the Dominican Minister has never proceeded to his post at Rome.

Mr. Barletta said that he was making renewed representations to the Dominican Government on the subject and he was confident that new letters of credence for Minister Chottin will be issued in the desired form.

Respectfully yours,

Franklin B. Atwood
Franklin B. Atwood,
Chargé d'Affaires ad interim.

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FBA/vmm

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June 9 R.R.

DOCUMENT FILE

NOTE

SEE 740.0011 Mutual Guarantee/910 FOR #1266
(Locarno)

FROM Belgium (Sussdorff) DATED May 27, 1937
TO NAME 1-1137 GPO

REGARDING: Visit to Brussels of Mr. Delbos, French Minister for Foreign Affairs and conversations with the Belgian Prime Minister and Minister for Foreign Affairs.

Discussed the question of the recognition of Italian sovereignty over Ethiopia.

mb

8650.01/289

GML

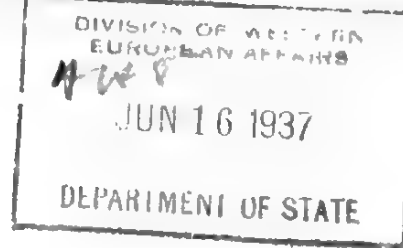
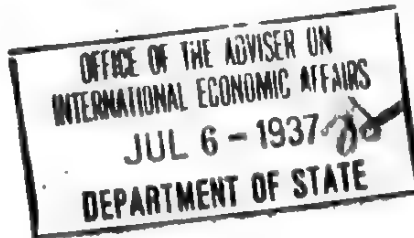


EMBASSY OF THE
UNITED STATES OF AMERICA

ROME, May 28, 1937.

No. 383

Subject: Speeches of the Minister of Italian Africa on
the Budget for Italian Africa.

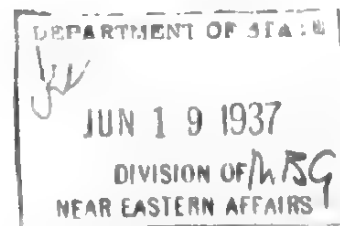


RECORDING DESK
FILE - WNB

MID
Commerce
Treasury
JUN 18 1937

The Honorable

The Secretary of State,
Washington.



Sir:

With reference to the Embassy's despatch No. 371 of May 20, 1937, on the Italian administration and development of Ethiopia, I have the honor to transmit herewith summaries of speeches on Italian East Africa, delivered by Signor Lessona, the Minister for Italian Africa, in connection with discussions of the budget of his Ministry for the fiscal year 1937-1938, in the Chamber of Deputies on May 19th and in the Senate on May 22nd.

A statement of the budget for Italian East Africa for the period July 1, 1937-June 30, 1938, as approved by the Chamber of Deputies and forwarded to the Senate

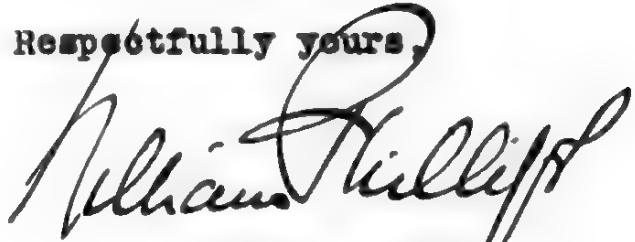
on ...

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EP

on May 20th, is also enclosed.

Respectfully yours,

A large, stylized handwritten signature in dark ink, appearing to read 'William Phillips'.

William Phillips.

✓
Enclosures:

1. Summary of speech of May 19th.
2. Summary of speech of May 22nd.
3. Statement of Budget.

COLONIAL BUDGET

Speech of Minister for Italian Africa in the Chamber, May 19, 1937.

(Summary)

This year's budget is the 25th since the creation of the Ministry for Colonies, the first of the Ministry for Italian Africa.

The figures show in themselves the progress made in fifteen years of Fascism and particularly the great stride of the latest stage, which as time goes on will take on increasing importance in the eyes of future generations, perpetuating the country's gratitude toward the founder of the Empire.

The Ethiopian campaign, of distinctly colonial character and purpose, was transposed by the will of the Geneva coalition into the sector of relations among European states and of Mediterranean equilibrium.

LIBYA

1350.00
In the bitterest moment of the conflict Libya made the weight of its influence felt. This great Italian territory facing upon the Mediterranean for almost two thousand kilometers proved a fundamental factor in our power. The Mediterranean function of Libya demands, in the very interest of the peace and civilization of Europe, an acceleration in the pace of its development. For that reason the Duce has instructed that the demographic colonization of Libya at last enter upon a period of extensive and concrete achievement.

We shall shortly have the basic charter of the agrarian and pastoral economy of Libya, which will take into

account

account the various and occasionally contrasting exigencies of farmers and herdsmen and will make possible that continuity of work and legislation which is the goal of our efforts.

Along with economic and demographic development measures have been given for a stronger and more complete military organization. A national army corps has been permanently assigned to Libya. The presence of this great unit of our glorious army means provident preparation for any contingency; and it will not fail to call forth fresh energies in the field of production and trade to encourage the peaceful, sure expansion of national settlements.

Today we can indeed regard the Libyan problem as a mass problem, since the civil organization of the colony is such as to make any achievement in any field possible.

While we were engaged in the Ethiopian war, Libya, though depriving itself of the flower of its youth who covered themselves with glory on the fields of Ogaden in the conquest of the Empire, has silently dedicated itself to the work of progress and power, under the indefatigable, intelligent leadership of Italo Balbo.

The legislation issued following the Duce's promise in his Tripoli speech is the expression of a feeling and a method. On the one hand, proud and certain of her control, Italy has desired to show her magnanimity toward the few remaining Senussite refugees. Those who have already returned have been generously helped. On the other hand, in creating the four Libyan provinces, the Government recognized the civil and social development of the territory.

MOSLEM POLICY

We have demonstrated our sympathy for Islam by defending freedom of worship, respecting its institutions and juridical organization, encouraging its welfare work and the spread of its language and culture. This policy has not only strengthened the devotion of our Moslem subjects but has also procured us the sympathy of those outside our territories.

Italy has solemnly declared, through the mouth of her leader, that she is now satisfied in the colonial field. No recondite motive inspires our action, while it is assuredly to the advantage of civilization and peace that millions of Moslems should acknowledge the benefits brought to Moslem countries by a great European Power. We can surely not destroy, to please our critics, what we have done in Libya for the Moslems nor prevent the truth from becoming known in other countries.

EAST AFRICA

As to East Africa, I desire first of all to pay honor to Marshal Graziani, who completed the conquest and is governing the Empire.

During the conflict the Ministry fulfilled its important function in directing and coordinating the political, military, and logistical aspects of the organization. After the Empire was founded the Ministry was suddenly called upon to perform a work almost six times greater than before. Nevertheless, we may note with gratification that the greatest progress has been made in solving the gigantic problems pertaining to the Empire. Our legislative activity has drawn the attention

of students and statesmen of all countries, representing an outstanding example of juridical lucidity and perfection as well as a document of the originality of Italian colonization. ...

COLONIZATION.

As to colonization in Italian East Africa, the Government is aware of the difficulties and has discouraged all premature initiatives, in the belief that there must be no improvised action but a thoroughly worked-out plan. At the same time it must be quite clearly stated that should we relinquish the idea of settling a large mass of Italian workers in the Empire, we would be betraying one of the decisive ideas of the Ethiopian enterprise. The difficulties are great and extremely great is the effort required to surmount them. It will be particularly necessary, in this as in all other fields, to dismantle a certain luxurious mentality which is contrary to the discipline of Fascism and would threaten to jeopardize colonization. The tenacious, courageous Italian laborer invariably had the pioneer mentality and capacity when it was a case of making his way in foreign, and frequently hostile, territory. We are sure that the Italian laborer will cooperate in the work the Government is preparing to do for him, proud this time to work for himself and his country, under the Italian flag.

With this frank language we cannot be accused of a demagogical spirit. We desire also to state once for all that the Empire was not won with the blood of the legionaries nor founded by the Duce for the benefit of a

privileged...

privileged few, but first and foremost to give at last to this proletarian Italy an outlet for her energies.

In the territory of the Empire there is room for all initiatives. The variety of agricultural features makes all experiments possible. Large and average concerns of capitalistic type which can offer guarantees of technical and financial solidity, shorn of any idea of parasitism, will also be most welcome. They can usefully engage in agricultural and industrial production, even on a large scale.

But along with such concerns, in districts which are most adapted for Italian settlement, there will gradually, methodically, and on truly economic bases be developed that demographic colonization referred to above, which corresponds above all to a superior exigency of civilization and security as well as being a duty of social justice. I have said that demographic colonization must be developed along truly economic bases. This statement merits certain explanations:

1) I do not doubt that the interested governmental and semi-governmental organizations will, also by resorting to the contribution which private capital and banking credit will gladly extend for this great purpose, call as little as possible on the Treasury, which must already bear the enormous expenditure for the public works that are absolutely necessary for the initial organization of the Empire.

2) Demographic colonization in Africa must take place within the limitations and according to the methods adapted to the country.

3) ...

3) The wages paid to laborers in the Empire must depart from the level of wages at present paid for the great public works under way, which was established because of extraordinary circumstances and of the urgency of the work, and must be adjusted to the possibilities of agricultural production itself.

4) The Government will take steps to see that the repercussions of the high cost of living, which in certain regions of East Africa is simultaneously the cause and effect of high wages, are not felt in the territories designated for Italian settlement.

On the other hand, it is the Government's firm intention, in the Empire as in the reclaimed districts at home, to have wage workers become as soon as possible small landowners, supporting themselves and their families from the resources of their own farms.

This realistic language will not be displeasing to our vigorous workers. They know that the Fascist Government protects their welfare and their rights at every point. The social and welfare legislation recently issued by the Ministry for laborers in East Africa is one of the Regime's greatest sources of legitimate pride. In no African colony does labor enjoy such complete legislative protection. The formation of the laborers' legions is one of the happiest achievements of Fascism. For demographic colonization the system of organization within Militia Legions will be developed in all sectors.

CORPORATIVE ORGANIZATION IN EAST AFRICA.

Under a corporative Regime, the development of the Empire necessarily must begin upon the sound syndical

bases

bases upon which the economic life of the Nation is founded. The syndical organizations at home, in their participation in the action of the Colonial Advisory Boards and Provincial Councils of the Corporations, have, in fact, been assigned important duties in the matter of selection and supervision of colonization in the Empire. The Corporations, furthermore, are assisting us in every way in colonization and in drawing up plans for economic development. The Industrial Confederation has lined up its companies in every branch of activity, while the Farmers Confederation has sent two fully equipped missions to East Africa that have done most useful work.

We have created technical-corporate advisory bodies that have proved most efficient in practice and that have given me much valuable assistance in their studies and recommendations during this first phase of imperial development.

CONTROL OVER PRIVATE ENTERPRISE.

The formation of these advisory bodies ("consulte") is connected with another important and much discussed question: namely control and discipline of private enterprise in East Africa. Some regard control as an exaggerated form of centralization, an obstacle to initiative, a system of red-tape. What responsible member of the Government, I wonder, could, unless he belonged to those who long for the return of a past that can never return, have agreed that a laissez-faire policy such as no longer exists at home should flourish again in the Empire, where control from above is more than ever imperatively necessary, if only for moral reasons.

If...

If there are not more enterprises today in the Empire this is certainly not because we are putting all sorts of obstacles in the way of their establishment, but because the responsible local governments believe it necessary to proceed cautiously and gradually, as we agree.

As to the concession of monopolies, we are inclined to believe that rumors to this effect, if they exist at all, have been artfully spread by certain persons interested in discouraging their possible competitors. Companies will never be given a monopoly, even when they represent, as they affirm, all the private activities falling within their respective categories. It is to the interest of the Nation to leave the doors of the Empire open to all Italians of good-will, and we shall keep them open, sure that in so doing we are honestly serving the cause of our people.

It is also absolutely untrue that the State has reserved to itself or to semi-governmental organizations monopolies over certain branches. The State can and must control special productive activities fundamental to the life of the Empire and the Nation; but no obstacle will be placed in the way of the establishment and development of any sound private initiative. State control does not mean state monopoly.

TOURIST TRADE AND HOTELS.

As to hotels, it is true that we have granted exclusive rights over a period of fifteen years to a semi-governmental organization. However small hotels and boarding-houses are in no way excluded. On the other hand, it was our immediate concern to supply the Empire with hotels to put an end to the preoccupying scarcity of lodgings and to develop adequately the tourist trade.

The...

THE PROGRAM OF ECONOMIC DEVELOPMENT.

What are the bases for the economic program of development? For the moment we are giving our particular attention to precious metals, meat, milk, wool, leather, cotton, coffee, old seeds, and grain.

Fascism, rehabilitating moral qualities and rebelling against the blind and brutal power of money, has made of money a useful instrument, not a despot. The money which our people has in the fullness of its faith given to the country is sacred. I can assure the Chamber that it will be sparingly and honestly used and firmly defended.

Our impatience to put through the economic development of the empire at the same miraculous rate as the military campaign will be checked if we recall that by spreading out this process over a number of years it will cost us twenty times less. we shall endeavor to find and utilize raw materials of the locality rather than resort to costly imports in order to speed things up.

The colonist of every category who has the real pioneering qualities and spirit can live and prosper with his family without any need of luxurious living quarters. Once the fundamental network of roads is completed, we shall learn to use for subsidiary traffic trails and caravan routes also, and at the same time we shall make a determined effort to cut down the cost of transportation.

The first year's experience in financial matters has shown the absolute necessity of mapping out in a definite program, as complete as possible, all the projects indispensable to the initial equipment of the empire. It is obvious that projects carried out in East Africa

must...

which are: (1) commensurate with national financial resources; (2) graduated on a basis of precedence and urgency which is possible only if one has a view of the whole program; (3) distributed over a period of time that will enable state finances to pay for them with ease, and above all within, annual appropriations.

The method of lump appropriations, used in the past for the budget and extraordinary expenditures of the nation, served the purpose fairly well. At the present time this method appears as the best adapted to guarantee the execution of a program that aims essentially at being free from the influence of contingent expenditures and from fluctuations resulting from annual appropriations. It is the only method that will permit the realization of the program.

SIX-YEAR PLAN.

In compliance with the nation's wishes, the Ministry of Italian Affairs has arranged a six-year plan of extraordinary works, comprising the projects already under way at the time for which appropriations have already been made. The six-year plan contemplates the following projects:

1. Buildings. The construction program includes the construction of new schools and secondary schools. The main objective will consist of an intensification of the present construction program and will extend throughout the six-year period as far as the national and regional resources permit.

The construction program will form part of the building program of each individual government.

Public and private schools, to satisfy the requirements of the nation, will also be opened up.

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2. Maritime Works. These include: all projects for the port of Assab, which is to become the leading port of the Empire; plans for the improvement of the port of Merca, which is an integrating part of the organization of the banana center of Ganale; finally port projects in general and the various maritime and river mooring places.

101.1.6463
3. River Projects and Hydroelectric Plants. The question of river communications warrants special consideration, since such communications will represent a great economy, both for trade with the Sudan and throughout other regions. Projects for the Webi Shebeli and Giuba rivers have already been drawn up in detail. As to the Webi Shebeli, it is a question of regulating the lower course of the river and completing the systemization of the Ganale system. As regards the Giuba, works consist of the erection of levees and the enclosing of various flood zones along the course of the river (Desoek) which are very fertile and suited to cultivation. When these improvements on the two rivers are completed, it is expected that the agriculture of Somalia will be considerably benefited by the development of new cultivation and industrial enterprises.

Large sums of money will be allotted to all the governments of Italian East Africa for the initial construction of hydro-electric plants.

151
4. Sanitation. These projects include the work necessary to supply water to the various centers and for the construction of wells and watering places to promote the raising of animals and to provide suitable pasturage. Adequate funds have been appropriated for the initial construction of sewage systems, cleaning up of towns, and

anti ...

anti-malarial work.

45d.63
5. Mining. These projects include the construction of plants and the purchase of machinery to operate the mines under the direct control of the State, i. e. those administered by the East Africa Mining Corporation, which are most promising.

6. Building. Such projects include the necessary buildings for the general and regional governments. Buildings and furnishings are standardized into three types, planned respectively for the lowlands (less than 1000 meters altitude), midlands (1000-2000 meters), and highlands (over 2000).

Lump appropriations have also been made for additional projects of civil and sanitary organization by all the governments. Projects for the execution of various city plans are also contemplated.

In this matter, also, ambition must be controlled. It is only human that the leading authority of any locality, however remote and modest, should desire to make a small metropolis of it, but every project must be in conformity with our financial possibilities and actual local exigencies.

The last group of construction projects concerns buildings on the boundaries. It includes quarters and offices for the frontier police, customs houses, medical stations, and lazarets.

7. Farm colonization, reclamation, and reforestation. In this connection I refer back to my remarks regarding the Government's policy in agrarian colonization. Reforestation work will also be of the utmost importance. At the outset it will be confined to protection and scientific utilization...

utilization of existing forests; later on carefully studied projects will be carried out with a view to developing products which can be used on the spot or are needed by national industry. These projects, which can be gradually carried through, will be developed toward the end of the six-year period.

655470
8. Telegraph, Telephone, Radio. Such projects include the installation of machinery, buildings being included in the building program mentioned above. Telephone and telegraph lines have been limited, in view of the difficulties of upkeep in territory where both animals and population interfere greatly with the lines. Our past experience in the former colonies has been most instructive. On the other hand, surveillance would be so costly and dangerous as to neutralize all advantages of this form of communication, the expense of which is increased because of the fact that the copper and cadmium used must in part be purchased abroad.

655470
8. Military projects. In relation to the contingent and location of troops, set forth in the new military organization for East Africa, plans for military works and the cost of military barracks have been determined. The Ministry of Italian Africa, in cooperation with the Ministry of Finance, is undertaking a careful study of what the six-year plan will cost and are elaborating a bill thereon for presentation to Parliament.

The officers of the Ministry for Italian Africa, in collaboration with the Ministry for Finance, are scrupulously ascertaining the cost of the six-year plan and working out a draft law which will be presented to Parliament at the earliest possible date.

During...

During the first year of the Empire we have worked with all our faith and strength and the results obtained are satisfactory if one keeps in mind the fact that along with the work of preparation for peaceful and civilized development we have simultaneously occupied the territory of the Empire, crossing through wild regions where no white man had ever penetrated.

I have told you what our intentions are. I desire to add that we realize the grave responsibilities before us, but that these serve only as incitement. In the arduous task we are supported by the benevolent, inspiring guidance of our leader and by our firm determination to be worthy of the sacrifice and heroism of the Italian People.

Summary of Speech of the Minister for
Italian Africa in the Senate on May 22,
1937.

GRADUAL ECONOMIC DEVELOPMENT

In reply to Senator Theodoli, who has mentioned certain difficulties still remaining in the national economy of the Empire -- that is, the abnormal level of native wages, the high rates of transportation, and the spread of a certain luxury mentality which threaten to compromise the bases for our colonization -- I am forced to note with regret that my extensive remarks in the Chamber have failed to reassure Senator Theodoli. This is further confirmed by the speaker's recommendation that in the development of the Empire a gradual system be followed, which should be connected with a general plan of construction in the Empire to be drawn up by the Ministry: that same plan, in other words, which I have already announced and described and which is ready in every financial, technical and administrative detail.

TAXATION

As to the collection of tithes and taxes in general, I may assure Senator Theodoli that the fiscal regulations for East Africa are ready for publication and have been drafted with a view to simplicity and equity.

SELECTION OF COLONISTS.

I am also fully agreed with the speaker that it is not those who have failed in life who can develop the Empire. For the precise purpose of encouraging only those who are strong and tenacious, there is in operation

that...

that selective process which I described to the Chamber, arising out of the corporative organization.

CRITICISM OF ADMINISTRATION.

Finally, I fully share the reference made to certain officials who, having made a flying trip across the Empire, regard themselves as authorities on colonial problems, which, as the Duce said in his Campidoglio speech, present difficulties that only those who follow them from day to day can realize. I understand and share the just indignation of those who on the spot are carrying the burdens of the Empire over the attacks made by these two-weeks visitors, who find it very easy to pick out the many deficiencies in the civil life of a country which is but now issuing forth from war and from centuries of the darkest barbarity and fail to perceive all that has been done to place the vast territories of the Empire on the road to modern civilization.

COORDINATION OF ADMINISTRATION.

Senator Theodoli has rightly remarked that the Government General of Italian East Africa is an association of ministries and that the Ministry for Italian Africa must have a permanent organ for the study, application, and coordination of the three basic factors in the general economy of all the colonies, but more especially of Ethiopia: namely, agriculture, animal husbandry, and forests. I may say that this organ exists, but with far broader and complete functions, and that it is the Ministry for Italian Africa itself, with its general bureaus, its technical offices, and its consultative and corporative bodies ...

bodies. Senator Theodoli adds that it would be desirable to have within the Ministry a permanent regulatory body of coordination to follow up the recommendations and decisions of the Consulte (advisory bodies) and to promote every activity without any conflict with the imperial offices which are located some 5000 kilometers from Rome. Such a body exists, and it is the Ministry, which has subordinated to it the secretarial office of the Consulte, closely coordinated with the general bureaus through the coordinating action of the Cabinet, which, in the Fascist Regime, does not merely maintain more or less diplomatic relations with Parliament and the public, but has in its hands all the reins of ministerial life and follows and directs its complex activity under the personal direction of the responsible Minister.

As to the recommendation that this central body never conflict with the imperial offices situated some 5000 kilometers from Rome, Senator Theodoli may rest assured, for it is absurd to picture a hypothetical case, in a regime which so greatly respects hierarchies as ours, where the superior organization could possibly conflict with the subordinate body, which must follow its orders and policies.

MONETARY POLICY.

Senator Theodoli has said that it is premature to force the lira upon the Empire, obviously considering only the economic aspect of the question. We have also had to consider political considerations, which made it impossible to delay introducing national currency as one of the elementary and fundamental attributes of sovereignty.

I may add that the Maria Theresa thaler is not a money, but a commodity, and that as such we have not only kept it at its variable value, but have put several million coins into circulation. Has Senator Theodoli thought of the consequences to our trade in national products and to Italian merchants if transactions had to be made on the fluctuating basis of the thaler alone, without any reference to national currency? And on the other hand, if the lira had not been promptly introduced at the beginning of the formation of the new imperial economy, those inevitable disturbances which Senator Theodoli referred to would have been far greater and would also have disrupted our new imperial economy with a damage which to ourselves, the dominators of the Empire, would have been far more serious.

I have referred only to Maria Theresa thalers, since I do not believe that Senator Theodoli alluded to the sole real money existing prior to our occupation, the Menelik thaler, with its divisional coins and paper money issued by the National Bank of Ethiopia, which is now fortunately in liquidation.

CONTINUITY OF POLICY.

Senator Theodoli also is concerned with guaranteeing the continuity of government policy. I may assure him that the fundamental principles for the administration and development of the Empire as laid down by the Ruce immediately after the conquest have been consistently observed and enforced by the Ministry for Italian Africa, nor do we propose in any way to deviate from them.

I ...

I further assure the speaker that the attention of the local authorities will be especially called to the interesting observations on detail and the practical recommendations dictated by his long colonial experience.

PERSONNEL

Both Senator Theodoli and Senator Bongiovanni dwelt on the question of personnel, showing that the Senate is justly concerned with one of the fundamental conditions for the development of the Empire. I have said in the other branch of Parliament that, in full accord with the Finance Minister, the system of competitive examination for the lower grades of service among candidates having the prescribed requisites, is still the method which best answers the purpose.

The honorable speakers observed that in this way a great number of young men are brought into the administration. I do not hesitate to affirm that this was my precise purpose, because when certain steps and eliminations were necessary to render the colonial service adequate to the new situation, these were invariably directed against the rare exponents of that antiquated colonial mentality which we Fascists of the Empire distinctly repudiate.

The new generations, in absolute majority, have proved worthy of the confidence placed in them by the Government. Furthermore, honorable Senators, if one reflects that three-fourths of the newly admitted officers come from the ranks of the legionaries, I unhesitatingly believe that those who were able to win the Empire through miracles of heroism and sacrifice have proved themselves

sufficiently...

sufficiently mature to govern the populations of the Empire in the Residencies.

Furthermore, there has been no hasty improvisation, for while all the officials now in the Ministry have had considerable service in Africa, the latest recruits serve an appropriate period of apprenticeship in the central offices of the Governments before being assigned to the Residencies.

Finally, we are at the same time using, and shall continue to use, in the civil service until the colonial lists are completed army and militia officers, who, in accordance with the just recommendation of Senator Bongiovanni, will be guaranteed a period of stability in recognition of their valuable collaboration.

As to the employment of officials serving in other ministries, as Senator Theodoli has suggested, I should like to point out that as to colonial experience these officials are on an equal footing with those whom the honorable speaker calls novitiates (but three-fourths of whom served during the African war). I realized, however, that their administrative experience will prove most valuable in the initial organization of the governmental offices in East Africa, for which our present personnel, as I have told the Chamber, is numerically inadequate. In this connection, however, I may state that my repeated requests of other Ministries have always received a negative reply, my colleagues declaring that they cannot in their turn dispense with their own personnel. It would have been possible only by placing the officials requested outside the normal lists, and the Finance Ministry has opposed this. Realizing the necessity

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necessity of such a step, however, I intend to make further, and I hope decisive, representations to the Finance Minister.

MILITARY ASPECT OF THE GOVERNMENT.

Senator Bongiovanni has remarked that there has been too much haste in replacing the military by a civil government. Permit me to say that I do not share this opinion. If, as I see it, military government signifies preponderance of military over economic, civic, and social problems and presupposes an internal situation warranting such severe control by the armed forces, then I am happy to declare to the Senate that there is no longer any need of military government in Italian East Africa. On the other hand, I must also state that civil government, especially in fascist times, does not mean an unarmed government, and I cannot see what difference there is between military action carried on by the normal commanders of the troops with a civil governor at the head of the government, and military action carried out by the same commanders when there is a general at the head of the government.

we have proclaimed that Ethiopia is pacified, and in truth the few and already diminished raids, which are due to economic and not political considerations and are of the type that has always been endemic in Abyssinia, cannot be regarded as revolts. Otherwise, the entire territory is tranquil, and the benefits of that tranquility are already being felt economically, since the area under cultivation by the natives themselves (contrary to the information in the possession of Senator Theodoli) is in many districts,

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the Tigris for example, twice as great as during the reign of the Negus. With the end of the war and the return of normal conditions, I, though I am a soldier myself, believe that civil government is best, if only because it brings closer the realization of our hopes in all spheres of peaceful activity.

To return to military government today would be to misrepresent the situation, to commit a grave political blunder which would unquestionably be exploited by a certain foreign press that obstinately refuses to recognize the obvious truth of the pacification of the Empire.

I further believe that this distinction between civil and military officials is anachronistic, not only with respect to the doctrine of Fascism which regards every citizen as a soldier as well, but specifically with respect to our administration, in which by law all, I repeat all, officials are also military officers. The important thing is not to have civil governors or military governors, but to have capable governors who can intelligently interpret and diligently carry out their instructions. Nor can I see why these young officers, who have served in the war and have for the most part already held the post of Resident in the new territory, should, merely because they now belong to the civil administration, suddenly lose those qualities of military leadership which formerly distinguished them.

Senator Bongiovanni, whose great authority and patriotism I have always appreciated, has also maintained that the military organization of Italian Africa must be subordinate to the Ministry of War, since unity of policy and command are necessary.

It is undeniable that the conquest of Ethiopia has extended our overseas territories to the frontiers of territories occupied by European Powers and that, therefore, the military problem is directly affected by international policy and places an eventual conflict upon a European plane. But this, in my opinion, makes it necessary for the General Staff to study the military problems deriving from this particular situation; which does not remove the fact that it is more advisable to leave the organization of the colored troops within the province of that Ministry which is also politically responsible, since it is obvious that recruiting and military organization always, directly or indirectly, effect political action, which in the colonies must absolutely be under one command.

POLICY OF GOVERNMENT IN EAST AFRICA.

Our immediate problem in East Africa was to establish a governmental organization making possible, in all directions and with minimum interference, the application of the policy of order, peace, and justice which we are determined to pursue in Ethiopia. The principle laid down by the Duce is clear and definite: all races, tribes, and populations in East Africa, having become subjects of H.M. the King Emperor, receive from us an equal guarantee of justice. The domination and oppression of one population over the others is definitely over.

RACIAL GROUPINGS.

The five governments of Italian East Africa have been established in such a way that each of them represents

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the totality of the Tigrine, Tigre, and Danakil populations. The Government of Amhara has in its name and its capital, Gondar, the designation of the homogenous group it includes. The Harrar government unites the Harrar Moslems and those who as to culture and religion depend upon the Islamic center of Harrar. The Galla and Sidamo government and the Government of Somalia represent the organization, within the framework of the Empire, of the populations whose name they bear. Artificial unity based on the barbaric domination of one population over the others has been thus replaced by the harmonious Italian organization of the five territorial governments under the superior direction of the Government General, personified in the Viceroy, which ensures unity of action throughout the Empire. The Government General thus represents, in the intention of the legislator, an elastic organization and not, as has happened in other countries, a heavy bureaucratic clearing house: a supreme coordinative body which guarantees the application of the unified policies established in Rome.

While any resurrection of feudalism and reinstatement of the former Rases is absurd and impossible, the Government does not aim at any immediate, violent change in the social structure of the populations. Upon the condition precedent of loyalty and sincere desire to cooperate, we may include in the local administration, within the same limits and with the same methods already employed in Eritrea and Somalia, native chieftains as collaborators in local government and as advisors to the Government General.

Religious ...

RELIGIOUS PROBLEM.

Moslems.

The religious problem has aspects which are fundamentally analagous to those of the political problem. Italy has already proved in Eritrea, Somalia, and Libya, her respect for the Moslem religion. From the very first day of our occupation the ancient religious institutions of the Moslems were restored, pilgrims' shrines reopened, and schools and religious institutions resumed. The pilgrimage to Mecca was organized, directed, and subsidized this year by the Italian authorities. Arabic has again become a language used in schools and one of the official languages for government documents affecting the native populations. We today have complete confidence in the Moslem populations of East Africa, who have offered as consistent proof of fidelity in all circumstances.

Coptic Church.

We found the Monophysite Christian Church of Ethiopia in a period of transition. That Church had up to 1926 had only one head, the Metropolitan, or Abuna, appointed by the Coptic Patriarch of Alexandria, not from among the Ethiopian priests, but from among the Egyptians. In 1926, at the death of the Abuna Mathew, a strong movement took form in Ethiopia for the creation of an autonomous church, or at least a church that would have as its head an ecclesiast born in Ethiopia rather than an Egyptian. A compromise was reached; an Egyptian metropolitan was appointed, but five bishops were chosen from among the Ethiopian churchmen to assist him. At the same time the Egyptian

Metropolitan ...

Metropolitan, who formerly had the status of a feudal leader similar to that of the Rasas, becomes merely a salaried official. There is no doubt but that within these limitations the Christian Church of Ethiopia may expect our full support and those provisions necessary to protect it, within the new system of the Empire.

Catholic Church.

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The suspicious attitude of the former Ethiopian regime toward Catholic missions is well known. And the Senate is fully aware that, despite this attitude and amidst difficulties and sufferings of every kind, Italian missionaries for many decades had carried on a truly apostolic and highly Italian work in Ethiopia.

There is no question that today we must take steps to give our missions just satisfaction, calling upon them to cooperate with their schools and hospitals in our action of civilization. This has been done; and there is imminent the conclusion of an agreement with the Holy See regulating the entire question of religious districts in Ethiopia in connection with missionary work.

Protestant Missions.

There has been much talk about Protestant missions in Ethiopia and, as usual, we have been accused of deliberate hostility toward them. I must immediately state that we have no great reasons for gratitude toward these institutions on the score of their activity before and during the conflict and of the deliberately hostile sentiments that at least some of them have openly showed us. But I desire to emphasize that we are dealing with this problem in

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relation to the political security of the Empire, and once that security is guaranteed and fully guaranteed against all maneuver and intrigue, we are pricked by no desire to persecute anybody.

I wish to make it clear that I refer solely to foreign missions, for as regards Italians of non-Catholic faith the Fascist Government will maintain in East Africa the same policy of equanimity as in Italy.

SLAVERY

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The abolition of slavery from the territory of the Empire has brought up the question of the future of emancipated slaves. We shall take care of these people by the creation of villages of freed slaves, similar to those founded in Kaffa by our Catholic missions. Meanwhile we shall procure employment for former slaves in the many public works now under way in East Africa.

ADDIS ABABA OUTRAGE

The outrage at Addis Ababa was merely a manifestation of the resentment of certain of the old feudal caste which has lost its supremacy and also of a handful of intellectualoid politicians who had been benefited by Italian generosity and incited by foreign protectors. The February 19th plot ended where it began: the great masses of the population in Shoa and Addis Ababa itself remained undisturbed, trusting to the sense of justice of the Italian authorities.

DEFENSE OF THE RACE

We reject the very thought that the constitution of

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the Empire may even to a slight degree result in the transformation into a hybrid race of this splendid people of pioneers, colonizers, navigators, and heroes.

Does this mean aversion toward colored races? This would be ridiculous and contrary to that principle of universality for which Imperial and Catholic Rome has always stood throughout the centuries. Within the unity of the Empire all peoples will be equally protected. We intend to encourage in all ways the evolution of our African subjects in their traditional social and religious customs in so far as these do not conflict with the supreme laws of humanity and progress. Within those limits we guarantee absolute respect for religious creeds and juridical customs.

With these premises, we shall inflexibly pursue our policy of absolute distinction of races.

FOREIGN TRADE INTERESTS.

Among other things it has been said by a hostile foreign press that Italian economic policy in East Africa would be marked by the strict exclusion of all foreign trade and industry. This, too, is absolutely false. It is evident that our first duty is to afford maximum protection to Italian labor, industry, and commerce, the Empire having been won by the great sacrifice of our own people. But we shall be fair in this as in other fields and ready to cooperate. The fundamental condition for such collaboration is absolute recognition of Italy's new economic position.

We have negotiated trade agreements with those countries that have loyally recognized Italian sovereignty.

Accords ...

Accords have been concluded with Germany and Hungary and negotiations are under way with other countries. We have gladly regulated with Great Britain matters affecting our joint interests in the frontier regions and ports of British Somaliland. We are ready to consider similar questions in this same practical spirit.

It has been said that we have taken drastic measures against the foreign concerns already established in East Africa. This is false. Whenever we have encountered an economic interest that was honestly such and did not under the name of trade conceal something far different, we have always sought some form of cooperation. We have encouraged and concluded many accords between Italian and foreign financial groups, and also directly between the colonial administration and foreign financial groups, even with those whose governments maintain an attitude of reserve in our regard.

I desire also to point out, for example, that whenever the delicate questions referring to the Djibuti railway have been discussed directly with the industrialists concerned and on ^{an} economic plane, satisfactory agreements have always been reached and a method of friendly cooperation has always been found.

FUNDAMENTALS OF ITALIAN IMPERIAL
ECONOMIC POLICY.

I should like at this point to confirm the fundamentals of our imperial economic policy as follows:

- 1) A free field for all initiatives which the competent organs find to be sound.
- 2) As to agriculture, the co-existence of all efficient ...

cient forms of colonization, with special encouragement to the creation of small privately owned and cultivated farms.

3) Gradual, methodical development of colonization with the active collaboration of the Party, Militia, Syndical organizations, and Commissariat for Migration and Colonization.

4) Conciliation of national requirements of raw materials from the Empire and the Empire's needs for sufficient autonomy.

5) No monopoly, whether by private individuals, companies, or -- save in exceptional circumstances - governmental and semi-governmental concerns.

6) Necessity of encouraging trade to acquire new markets and keep former ones.

From this last point it follows that there will be no closing of doors between the Empire and adjacent regions, from the Sudan to India, Arabia to Persia, Mombasa to Berbera: with all these we are ready not only to resume but to intensify traditional trade relations.

MILITARY ORGANIZATION.

The new military organization which has been worked out in perfect agreement with the war Ministry and Marshal Graziani, is as follows:

A central body consisting of the General Staff of the Government General, used by the Viceroy in exercising command of the military forces and comprising a Chief and Assistant Chief of Staff, various Inspectors, the Commander

of Addis Ababa, and the Superior Director of Services.

Five Troop Commands, one for each Government in charge of all the troops stationed in its territory.

National troops of Africa, which represent about one-third of our military established in the Empire. The purpose has been first of all to form a strong reserve at the disposal of the Viceroy and to that end the "Savoy Grenadiers" division was stationed in East Africa last November. This great unit, the only one existing in the Empire and composed of seven infantry battalions, two artillery groups, and various special elements, is a solid instrument of war of decisive importance in any contingency. It is flanked by an African Blackshirt motor unit, which can transport it swiftly into even the most remote districts.

In the second place, there have been formed nine motorized Blackshirt machine-gun battalions, four motorized artillery groups, four motorized Blackshirt anti-air groups: this powerful artillery organization can move quickly from one point to another, one frontier to another, over a system of roads which are being rapidly constructed.

Finally, for the defense of the Capital, there have been stationed four Blackshirt battalions, four stationary artillery batteries, and a civil engineers regiment including specialists in all lines.

This national military establishment is completed by native groups, grouped into 16 colonial brigades each composed of three or four battalions, an artillery unit, and elements

of the colonial forces.

The colonial forces contemplated by the new organization have a total of:

2500 officers of the army and militia;

1600 non-commissioned officers of
the army and militia;

21000 national army and Blackshirt troops;

43000 native troops.

To these land forces must be added the air forces contemplated: more than 300 planes and 600 pilots.

I have desired to cite these figures to make it clear that our military establishment in East Africa is planned and in large part already in operation, responds to the basic idea of being able at all times to guarantee, through internal order and security along the frontiers, our prestige as a dominating Power. This and this alone is our purpose.

Colonial troops are being recruited throughout the entire territory in special centers already established, and the applications received are so numerous that not all of them can be accepted. Even the Shoans and Amharics have given this spontaneous demonstration of loyalty, and a number of them have already been enrolled in battalions, one of which marched in the anniversary celebrations of the Empire with the same flawless discipline and pride that characterize all our colonial units.

The newly formed units, we are certain, will carry on the great traditions of the Eritrean and Somali corps, which have been rewarded for the services by the King Emperor himself.

BUDGET OF ITALIAN EAST AFRICA

Estimates of total revenue and expenditures of Italian East Africa for the fiscal year 1937-38 balance at 1,125,916,799.55 lire.

The composition of revenues and expenditures is as follows:

<u>REVENUES</u>	<u>LIRE</u>
Revenues from the whole of Italian East Africa itself	292,845,000
Contributions by the State.....	765,650,000
Extraordinary appropriations by the State.....	-----
Movement of capital.....	2,200,000
Special accounts.....	<u>65,221,799.55</u>
TOTAL REVENUES.....	<u>1,125,916,799.55</u>

<u>EXPENDITURES</u>	<u>LIRE</u>
Actual ordinary expenditures for the civil services comprising the Royal Carabinieri, the Royal Finance Guard, the Volunteer Militia for Public Security, the Highway Militia, the Harbor Militia and the Forestry Militia.....	308,018,000
<u>LIRE</u>	
Government General.....	76,273,000
Government of Amara.....	39,670,000
Government of Galla Sidama.....	41,920,000
Government of Harar.....	40,370,000
Government of Eritrea.....	57,860,000
Government of Somalia.....	51,925,000
Actual extraordinary expenditures for the civil services.....	84,760,437.85
Government General.....	18,600,000
Government of Amara.....	16,000,000
Government of Galla Sidama.....	11,000,000
Government of Hara.....	18,000,000
Government of Eritrea.....	12,739,191.10

Government....

	<u>LIRE</u>	<u>LIRE</u>
Government of Somalia.....	8,421,246.75	
Actual ordinary expenditures for the Royal Colonial troops and the military services.....	450,000,000	
Government General.....	160,500,000	
Government of Amara.....	64,000,000	
Government of Galla Sidama.....	69,000,000	
Government of Harar.....	57,000,000	
Government of Eritrea.....	47,500,000	
Government of Somalia.....	52,000,000	
Actual extraordinary expenditures for the Royal Colonial troops and the military services.....	100,015,000	
Government General.....	50,000,000	
Government of Amara.....	20,000,000	
Government of Galla Sidama.....	5,000,000	
Government of Harar.....	10,000,000	
Government of Eritrea.....	10,015,000	
Government of Somalia.....	5,000,000	
Actual ordinary expenditures for the Royal Air Corps.....	114,000,000	
Government General.....	114,000,000	
Government of Amara.....	----	
Government of Galla Sidama.....	----	
Government of Harar.....	----	
Government of Eritrea.....	----	
Government of Somalia.....	----	
Actual extraordinary expenditures for the Royal Air Corps	----	
Government General.....	----	
Government of Amara.....	----	
Government of Galla Sidama.....	----	
Government of Harar.....	----	
Government of Eritrea.....	----	
Government of Somalia.....	----	

Movement of Capital.....3,901,562.15

Government General..... ---

Government of Amara..... ---

Government of Galla Sidama..... ---

Government of Harar..... ---

Government of Eritrea.....2,425,191

Government of Somalia.....1,476,371.15

Special Accounts.....65,221,799.55

Government General.....43,500,000

Government of Amara..... ---

Government of Galla Sidama..... ---

Government of Eritrea.....21,121,799.55

Government of Somalia..... 600,000

Total expenditures....1,125,916,799.55

Central File: Decimal File 865D.01, Internal Affairs Of States, Italian East Africa, Government. Mandates, Recognition., Apr. 29, 1936. 29 Apr. 1936. MS European Colonialism in the Early 20th Century. National Archives (United States). Archives Unbound, link.gale.com/apps/doc/FSC5109727972/FGDSC%3Fu%3Domni%26sid%3Dbookmark-GDSC. Accessed 18 June 2025.